

ECONOMIC POLICY MEASURES FOR A PLANT-BASED FUTURE

POLICY BRIEFING

We need to change how we think, act and measure economic success in order to protect our own prosperity. Could better fiscal policy, and an economic model that internalises the carbon costs of food, particularly high carbon foods such as meat and dairy, make the food system work for us in our pursuit of healthy, sustainable lifestyles in the UK?

For the UK to continue to prosper in the age of climate change all sectors: energy, industry and agriculture, must pivot their activities towards a sustainable business model and new patterns of consumption must be encouraged. As new lower carbon products do not possess the price-advantaged economies of scale, government intervention is required to establish new markets.



The government has taken decisive action in a number of sectors to transition the country to sustainable consumption patterns, including incentives for electric vehicle purchase and grants for heat pump installation. The respective industries have also received both support and energy levies to lend momentum. This is laudable since new technology must be made affordable to the consumer in order for industry to effect large-scale carbon-saving change.

With food system emissions standing at 35% of overall UK emissions, the UK food sector also needs to make a transition from unsustainable consumption patterns, especially with regard to high carbon foods such as meat and dairy. Here, despite an increasing consumer trend towards the adoption of healthier, low carbon alternatives to meat and dairy, their comparatively higher prices can present a barrier to entry for many shoppers.

The question of how to adjust production and consumption levels of high carbon foods must be addressed if the UK is to prosper sustainably. Fiscal measures, that place some responsibility with the farmer, need to recognise that not all production systems are alike: some farms are far more environmentally friendly than others and a differentiated subsidy according to a resource and environmental impact, needs to be applied. Additionally low carbon foods (fruit and vegetables and plant-based protein products) should be given a 'level playing field' at the farm subsidy and innovation grant level. This form of subsidy drives twin outcomes - lowering climate impacts and underpinning the drive to encourage healthier eating.

There is also a role for retail within the transition to a sustainable food system. The 2022 report 'Agribusiness Task Force Scaling Regenerative Farming: an action plan' outlined policy to share the risk and cost of transition that might otherwise all fall on the farmer, across businesses in the value chain, as well as government and investors.

Additionally, given that consumers benefit from a food system which provides access to a wide choice of products, it follows that raising the price of certain foods would likely change purchasing behaviour. This means there is a good argument for introducing fiscal measures to accommodate a broad-based carbon tax on carbon intensive foods.

Clearly when economics is such a powerful driver of ecosystems collapse and climate change, economic transition requires, by definition, a change in economic policy. Putting Britain's food system on an economically viable path to sustainability means addressing two main barriers:

IMPLEMENTING FISCAL MEASURES TO INTERNALISE CARBON AND HEALTH COSTS

Policymakers should look to expand the sugar tax model to high carbon foods building in health metrics for limiting sodium, saturated fat and metrics for enhancing fibre and 5 A Day intake.

DEVELOPING AGRICULTURAL CARBON METRICS TO FAIRLY ASSESS FOOD IMPACTS

Develop an on-farm metrics set that can help drive the level of subsidy payments to farmers based on frameworks detailed in publications such as the Land Use Policies for Net Zero UK (CCC 2020).

What is the Vegetarian Society doing?

The Vegetarian Society aims to play a key role in championing changes to the UK's tax and payments system aimed at securing a low carbon food system. In particular, we will be:

- **Commissioning research into how a broad-based carbon tax on food could be implemented, and in particular how funds raised could incentivise low carbon food choices**
- **Re-examining the policy potential for fruit and vegetable subsidy as outlined in the recently abandoned plan for a DEFRA UK Horticulture Strategy**
- **Working in partnership with other organisations in the sector, to explore the use of deliberative dialogue as a tool for changing attitudes to carbon taxation and farm subsidy**

Why the UK needs fiscal measures to internalise the carbon costs of consumption.

Affordability and the cost of sustainable products, be it an electric car or a new low carbon heating system, is a critical barrier to sustainable lifestyles that the majority of people face. Price is a major barrier also to purchasing sustainable plant-based food, and the relatively high price of fruit and vegetables creates a barrier to health as well as sustainability.

Internalising the carbon and health costs of food into pricing and recycling the proceeds to subsidise low carbon and healthy options, could overcome this barrier and drive-up consumption, which in turn would secure growth in the means of production on farms and in manufacturing.

Better fiscal policy, that is honest about the carbon costs of food, especially meat and dairy, could make the food system work for us in our pursuit of healthy, sustainable lifestyles in the UK and make sustainable choices affordable and the preferred consumer option.

Consumer Trends

It's a fact that, when it comes to food, our consumption patterns are changing. The number of vegans and vegetarians has increased by between two and four-fold in the last 10 years, and more than half of Gen Z (citizens born 1997-2012) could be eating a meat-free diet by 2025. As many as 6.4m people in the UK in 2024 intend to adopt a meat-free diet in the coming year.

KEY NUMBERS:

Targets

for meat and dairy reduction in the UK:

→ **20%** by 2030

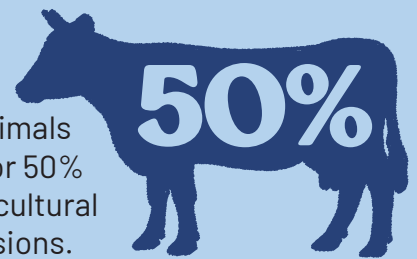
→ **35%** by 2050
(for meat reduction)



70% of people say the cost of low carbon plant-based alternatives is a barrier to transitioning their diet.

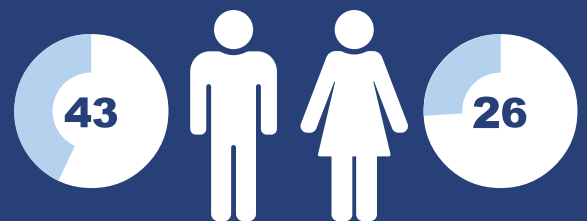


Methane emissions from farmed animals account for 50% of UK agricultural GHG emissions.



The UK has committed to 50% methane reduction by 2030.

In the UK, **43% of men** and **26% of women** ...



...eat more red and processed meat than the limit recommended for health.

Plant-protein crops can have **1/10 of the carbon emissions** per kilo of protein compared to red meat.



We would be delighted to arrange a full briefing with you.

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About the Vegetarian Society

The Vegetarian Society is the UK's original and leading voice for the vegetarian and vegan movement. Our aim is to inspire and support everyone to move towards more sustainable and cruelty-free choices in their lives because kindness counts.

Through our education and engagement programmes to campaigning, policy work and product accreditation, we strive for a world without animal cruelty.

We do this by using our knowledge and expertise to work across our membership, communities, business, government, and likeminded organisations to help change behaviour, drive innovation and expand food choice across the industry.

In doing so we continue to build on our 175+ year legacy to grow a community driven by a collective desire to secure a kinder, healthier and more sustainable future for every life on earth.

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