

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** New Government Coalition Accord Reached in the Netherlands

**Country:** Netherlands

**Post:** The Hague

**Report Category:** Agriculture in the News, Agricultural Situation, Beverages, Wood Products, Vegetables, Sugar, Climate Change/Global Warming/Food Security, Fresh Fruit

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**Report Highlights:**

On December 15, 2021, four Dutch political parties reached an accord, nine months after elections were held in the Netherlands. Some of the highest priority issues for the incoming government are combating climate change and tackling nitrogen emissions. The accord also proposes to increase the value-added tax (VAT) on sugary drinks and to introduce an origin label. The new government also plans to phase out the use of woody biomass for energy purposes as quickly as possible, and will only allow the use of woody biomass produced in the European Union to monitor compliance with sustainability criteria.

## General Information

On December 15, 2021, negotiators presented a government [accord](#) (Dutch language) for the newly formed Dutch government coalition to Parliament -- nine months after elections were held (a new Dutch record).<sup>1</sup> The following day, the leaders of the new coalition government (comprised of the Liberal Party (VVD), Social Democratic Party (D'66), Christian Democratic Appeal (CDA), and Christen Union (CU)) debated their agreement with the Dutch Parliament. It is expected that the new Cabinet (e.g., Ministers and State Secretaries) will be announced in the beginning of January 2022.

Some of the highest priority issues for the incoming government are combating climate change and tackling nitrogen emissions. The Dutch government plans to commit (until 2030) €35 billion to address climate issues and €25 billion for cutting nitrogen emissions.

The main points in the accord related to agriculture include:

- Transitioning of the current intensive agricultural model to more circular agricultural practices making use of residues and waste streams in feed, phasing out fertilizers, and supporting extensive land-based dairy farming.
- Acceleration of the nitrogen emission reduction target to 50 percent by 2030 (bringing the target forward from the earlier agreed 2035). For more information, see the GAIN report - [Dutch Parliament Approves Law to Reduce Nitrogen Emissions](#) – published January 7, 2021.
- The introduction of a new type of land category destined for both agricultural production as well as nature conservation.
- A regional approach by which farmers will be steered towards more sustainable agricultural production practices, through “extensification” (i.e., decreasing the use of capital and inputs {e.g. fertilizers, pesticides, machinery} relative to land area), conversion to other farm types, utilizing innovation, and the relocation of farms.
- Strengthening of the [Dutch Food and Consumer Product Safety Authority \(NVWA\)](#) and separating the responsibilities for inspection and supervision.
- Integration of plant pest control, making use of innovation, precision agriculture, and green alternatives.
- Reaching a covenant with the agricultural sector and stakeholders to develop an animal friendly husbandry sector.
- Making binding agreements with all of the actors in the ag/food sector (including banks) to strengthen the financial position of farmers. In addition, an origin label will be introduced.
- Stimulation of the horticultural sector to change to more circular and low-energy production methods.
- Increase of the VAT on sugary drinks, and defining regulations for a sugar tax on other products. The VAT on fruit and vegetables will be abolished.
- The government plans to make a transition fund of €20 billion available until 2030 which will likely compensate farmers for reductions in livestock.

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<sup>1</sup> See, e.g., <https://www.dutchnews.nl/news/2021/12/the-new-governments-plans-what-you-need-to-know/>

The main points in the accord related to climate are:

- In order to be climate neutral by 2050 (at the latest), the new government proposes to increase its climate goals in domestic legislation to reduce carbon dioxide (CO<sub>2</sub>) emissions by at least 55 percent by 2030 (compared to 1990). After 2030, the government is aiming for a 70 percent reduction by 2035 and 80 percent by 2040. A new position of a Minister for Climate and Energy will direct the government's climate policy as well as the climate fund.
- Research funds will be made available for climate neutral and circular technologies.
- The government will enforce a blending mandate for biogas in the national gas grid.
- The government plans to phase out the use of woody biomass for energy purposes as quickly as possible, and will only allow the use of woody biomass produced in the EU to be able to monitor compliance with sustainability criteria.
- A climate and transition fund of €35 billion over the next ten years will help to realize green industrial policy and to make mobility and the built environment more sustainable.

Reactions from the Dutch agricultural sector include:

- The Netherlands Agricultural and Horticultural Association (known by its Dutch acronym of the LTO) is reportedly pleased that there will not be massive expropriation of farms and farmland, and that the livestock herd will not be halved. However, the LTO stated that the nitrogen reduction target (50 percent in 2030) is unrealistic, and in excess of the goal proposed by the sector (40 percent in 2030). The farmers' association states that the coalition plans must first be assessed to ensure the industry's profitability before they are put in practice.
- The farmer's association, Agractie, reportedly stated that the nitrogen reduction goal of the coalition accord is unrealistic, and the measures to achieve the reduction are too vague.

**Attachments:**

No Attachments.