# Denmark Introduces Agricultural Carbon Tax to Combat Livestock Emissions



**Denmark to Implement World's First Agricultural Carbon Tax**

Starting in 2030, Denmark will introduce an agricultural carbon tax, marking the first of its kind globally. The tax will be set at 300 Danish krone (US$43) per ton of CO2 equivalent emissions produced by livestock, with plans to increase to 750 Danish krone by 2035. However, a basic deduction of 60% will be applied, initially lowering the effective tax to 120 Danish krone (US$17) per ton in 2030.

Denmark, a significant exporter of dairy and pork products, sees agriculture contributing 22.4% of its total carbon emissions. Current livestock includes approximately 547,000 dairy cows, which produce about 5.87 billion kilograms of milk annually, 900,000 beef and other cattle, and 11.5 million pigs.

The carbon tax aims to reduce carbon emissions by 1.8 million tonnes in its first year, aiding Denmark in its goal to cut 70% of its total emissions by 2030. The agreement was reached between the coalition government and major stakeholders such as the Danish Agriculture and Food Council, the Danish Society for Nature Conservation, and the Danish Dairy Association.

Revenue from this tax will be reinvested into agricultural green initiatives and climate technology. Additionally, funding will also support reforestation and peatland restoration efforts to comply with the EU Water Framework Directive.

Despite some backlash from international farmers, Danish dairy representatives have expressed optimism, acknowledging that the agreement provides a clear roadmap for reducing the agricultural sector's carbon footprint.

This legislative move follows recent European farmer protests against environmental regulations and sets a precedent that may influence global agricultural policies.