# Denmark to Introduce World's First Agricultural Carbon Tax to Cut Greenhouse Gas Emissions



Denmark is set to implement the world's first agricultural carbon tax in a bid to reduce greenhouse gas emissions from livestock. Starting in 2030, farmers will be required to pay 300 Danish krone (€40; US$43) per ton of CO2e produced, escalating to 750 Danish krone (€100; US$107) by 2035. A 60% tax deduction on average emissions from different livestock types will be provided, resulting in a net payment of 120 Danish krone (€16; US$17) per ton of CO2e in 2030, rising to 300 Danish krone by 2035.

Agriculture contributes 22.4% of Denmark's carbon emissions, a significant increase from 15.6% a decade ago. The tax is projected to cut 1.8 million tons of carbon in its first year, aiding Denmark's goal of reducing total emissions by 70%. Key supporters of this initiative include the Danish Agriculture and Food Council, Danish Society for Nature Conservation, Confederation of Danish Industry, Trade Union NNF, and the Danish Local Government Association.

Revenue from the tax will be reinvested into the agricultural sector to support green initiatives and climate technology. The agreement also includes funding for the creation of over 600,000 acres of new forests and increased peatland restoration to help meet the EU Water Framework Directive commitments.

The tax has garnered mixed reactions, with some farmers supporting the clarity and goals it brings, while others express concern about its economic impact on the agricultural sector.