

Summary

- Earlier in June, the Dutch government presented its long-awaited plan to tackle the country's 'nitrogen crisis'. The bold plan zeroes in on the Netherlands' agriculture industry, calling for scaled emissions reduction across the country, including up to 95 percent reductions near vulnerable natural areas. The Minister of Nature and Nitrogen Policy expects about a third of the 50,000 Dutch farms to 'disappear' by 2030. Experts are calling it "the greatest overhaul of the Dutch agricultural sector in history."
- The buyout of farmers, especially in the vicinity of protected nature areas, is increasingly considered by the government as a way to meet its legally mandated nitrogen reduction targets in time. However, strong pushback from farmers' interest groups and others will test the future of the plans.

Report

The nitrogen issue in the Netherlands

- Following a series of attempts by consecutive Dutch governments to introduce measures to reduce nitrogen emissions in the Netherlands, the new Rutte IV government, which took office in January 2022, is determined to make progress. They have put their money where their mouth is, allocating 25 billion euros to a Nitrogen Fund and have now released an ambitious – and controversial – plan to make real headway.
- The change in tempo follows a 2019 Dutch court case which ruled that the previous Dutch nitrogen policy was in violation of European Law. The ruling put a cap on emissions with immediate effect, causing some businesses to cease operations in order to ensure the country's overall output did not exceed the cap. Other businesses require a special permit in order to keep their activities going i.e. to keep emitting nitrogen. We understand however that some farmers and businesses have reportedly waited years to secure the permits required by the government.

Government plans: "the greatest overhaul of the Dutch agricultural sector in history."

- With a crisis on hand, the government released its long-awaited Nitrogen Plan on 10 June and is taking a distinctly regional approach to implementation. The plan sets out a scaled emissions reduction target across the country, including that around 'vulnerable areas', nitrogen levels will have to be reduced by up to 95 per cent.

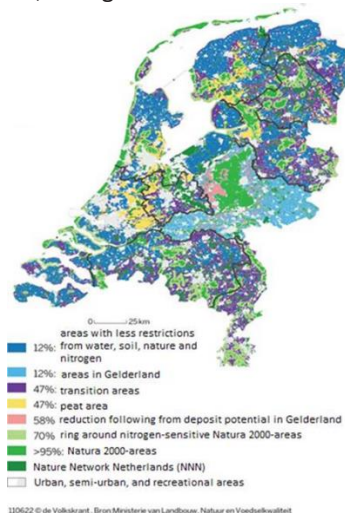


Figure 1. Nitrogen Reduction Map of the Netherlands, based on current plans

- With the agricultural sector accounting for 45 percent of nitrogen emissions, the sector is under pressure to make significant changes in order to reduce emissions. The government will draw on the 25 billion euro Nitrogen Fund to help farmers (voluntarily) quit, relocate or downsize their business and make them more nature-friendly. The Minister of Nature and Nitrogen Policy says she is expecting about one third of the Netherlands' 50,000 farms to disappear as a result of the plans.
- The compensation plans include the following:
 - Dairy farmers that want to be bought out need to reduce their cattle stocks by 95 percent and permanently relinquish their right to increase stocks in future. For pig, chicken, and turkey farms, this percentage is 80 percent.
 - The subsidy the farmers receive include compensation for losing production rights and for the value loss of the company. 270 million euro is reserved for dairy compensation, 115 million for chicken and turkey-related compensation, and 115 million for pig-related compensation.
 - A separate arrangement for provincial governments seeking to buy out farmers close to sensitive Natura 2000 areas will be in play. For this arrangement, an additional 250 million euros will be provided.

Presentation of government plans leads to protest

- Farmers' interest groups in the Netherlands are critical of the government's plans. Even before the plan was tabled, the largest organisation for agriculture and horticulture, LTO, formally withdrew in April from negotiations with the government in protest as they assessed the government was not adequately taking into account the future prospects of the sector.
- The formal presentation of the government plans immediately led to outrage among farmers' organisations. This included a group of farmers gathering in front of the house of the Minister of Nature and Nitrogen Policy to protest the plans, an action heavily criticized by other politicians. Organisations such as LTO have commented publicly that they are disappointed with the government plans and expressed their concern over future food security in the Netherlands. Greenpeace on the other hand, called the plans "long overdue" and has called on the government to remain firm in the face of protests from the agricultural sector.
- Despite the opposition, we understand the Minister intends to keep the conversation with the agricultural sector going, but that the government will stay on course with the nitrogen plans.

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