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Report Name: Government Presents National Program to Reduce Nitrogen Greenhouse Gas Emissions in Rural Areas

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Report Highlights:

On June 10, 2022, the Dutch Minister for Nitrogen and Nature Policy, Ms. Christianne van der Wal, presented a plan laying out the objectives for Dutch nitrogen greenhouse gas (GHG) emission reductions. The plan included both national and area-specific objectives. The Dutch Provinces are responsible for developing corresponding measures to reach the nitrogen emission reductions between 12 and 70 percent, depending on the area. Farmers in some provinces will be particularly hard hit by the area-oriented approach, and the Dutch government acknowledged "there is not a future for all {Dutch} farmers within [this] approach." Small protests have already followed the announcement, with a larger farmer protest set for June 22, 2022 in the Province of Gelderland.

Government Objectives for the Reduction of Nitrogen Greenhouse Gas Emissions

Since a judicial ruling in 2019, the Netherlands has been under pressure to reduce its nitrogen greenhouse gas (GHG) emissions. For more background on this ruling and the course of actions taken since, please see NL2020-0069 Dutch Parliament Approves Law to Reduce Nitrogen Emissions.

In 2021 the newly installed Dutch government stressed the need for a new approach to address nitrogen emissions for agriculture and nature. Until 2035, the Dutch government provided €24.3 billion (\$25.3 billion) in funding to address issues related to nitrogen GHG, as well as water quality, soils, climate, and biodiversity. These funds were added to the €7 billion (\$7.3 billion) which had already been earmarked. Moreover, Ms. Christianne van der Wal was appointed as Minister of Nature and Nitrogen Policy, becoming the first person to hold such a position in the Dutch government. For more, see NL2022-0001 New Dutch Minister of Agriculture and Minister for Nature and Nitrogen Policy Installed.

On June 10, 2022, Minister Van der Wal delivered a much-anticipated presentation on the government's quantitative and qualitative objectives for Dutch agriculture in order to reduce nitrogen GHG emissions, which was followed by a press conference led by Prime Minister, Mark Rutte.² The objectives are collected in the plan titled "Starting Memorandum National Program for Rural Areas" (National Program).³ The National Program focuses on the reduction of nitrogen deposited in soils in all areas of the Netherlands. To reach the goal, the government has indicated a 40 percent reduction in nitrogen GHG emissions is needed (with the goal of a 39 kiloton {kton} reduction of ammonia {NH₃} emissions) within the agricultural sector. This National Program has been transformed into detailed area-specific emission reduction objectives (see Figure 1 below) to be addressed at the Provincial level. In addition, the National Program aims for a general 12 percent reduction in NH₃ emissions (or 12 kton), not tied to any specific area, to be addressed by all agriculture across the Netherlands (with measures to be drafted at the national level).

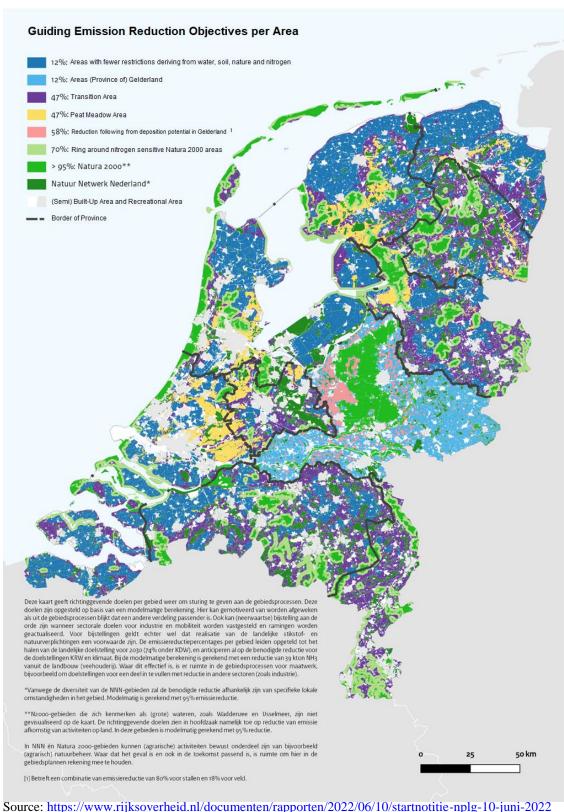
As noted, the Dutch Provinces have the responsibility for the execution and drafting of the measures through which the area-specific objectives will be effectuated. They are obliged to present their plans before July 1, 2023. To date, it remains vague what the Provincial measures will entail, and implementation of such measures might, in turn, take some time.

¹ https://www.tweedekamer.nl/kamerstukken/brieven_regering/detail?id=2022Z11792&did=2022D24183

² https://www.rijksoverheid.nl/regering/documenten/mediateksten/2022/06/10/letterlijke-tekst-persconferentie-naministerraad-10-juni-2022

³ https://www.rijksoverheid.nl/documenten/rapporten/2022/06/10/startnotitie-nplg-10-juni-2022

Figure 1. Dutch Government Emission Reduction Targets



Background on Nitrogen GHG Emissions in the Netherlands

In 2020, according to Statistics Netherlands, the Netherlands emitted 124 million kilograms of nitrogen GHG in the form of ammonia (with agriculture accounting for 87.3 percent of these NH₃ emissions) and 177 million kilograms of various nitrogen oxides (NO_x, which are mainly attributable to traffic and industry -- agriculture is the source of only 1.3 percent of these emissions).⁴ However, these numbers do not include pollution caused by, for example, the leaching of nitrogen into the groundwater. For more information, see Figures 2 and 3 below.

Figure 2. Sources of Dutch Ammonia Emissions

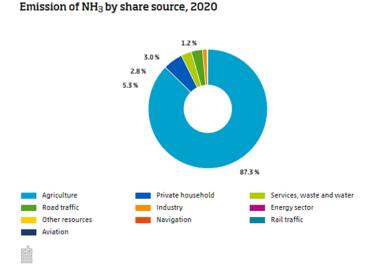
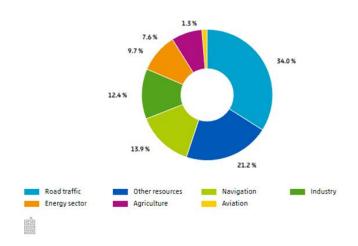


Figure 3. Sources of Dutch Nitrogen Oxide Emissions

Emission of NO_x by share source, 2020



Source of Figures 2 and 3: https://www.cbs.nl/nl-nl/dossier/dossier-stikstof/stikstofemissies-naar-lucht

⁴ https://www.cbs.nl/nl-nl/dossier/dossier-stikstof/stikstofemissies-naar-lucht

Nitrogen *deposition* in soils, which is the starting point for the area-based approach of the National Program, can occur due to wet deposition (nitrogen ends up in the soil via precipitation) or dry deposition (plants or soil absorb nitrogen directly from the air, aerosols settle down to the ground).⁵ According to the National Institute for Public Health and the Environment (known by its Dutch acronym RIVM), Dutch agriculture significantly contributes to nitrogen deposition -- contributing 45 percent. The remaining 55 percent comes from abroad, traffic, industry and built-up areas, and ammonia from the sea, see Figure 4.

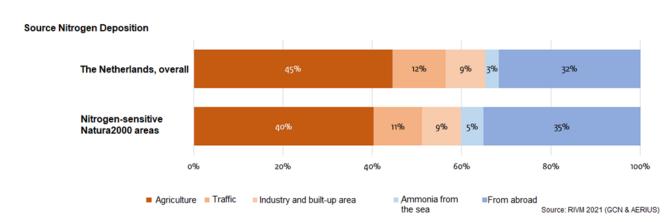


Figure 4. Sources of Dutch Nitrogen Deposition

Source: https://www.rivm.nl/stikstof

The Dutch government aims to reduce overall Dutch nitrogen GHG emissions by 50 percent by 2030.⁶ In addition, 74 percent of the Netherlands' "Natura 2000" areas will have to be at "a healthy level" by 2030, as illustrated in Figure 5 (below). The National Program outlines a per-area nitrogen emission reduction (Figure 1), but there is some flexibility so long as the total emissions reduction is met in the Province. The targeted reductions vary between 12 to 70 percent, see Figure 2 (above). However, within Natura 2000 areas, targeted reductions are 95 percent. The reductions will have to be addressed by all agricultural sectors, but some might feel the impact more than others due to how their specific businesses are organized or correlate to nitrogen GHG emissions.

Farms located close to Natura 2000 nature reserves, for example, need to reduce nitrogen GHG emissions by more than 70 percent. The province of Gelderland, located in the mid-east of the Netherlands, will be particularly hit hard. However, no region will be spared, or as the plan notes: "this approach will be so radical that it will take a great deal from many to shape it." The plan also notes that "there isn't a future for all farmers within the area-oriented approach." The new plan mentions an "escalation mechanism" by which the government is permitted to take action if the Provinces do not

⁵ https://www.rivm.nl/stikstof

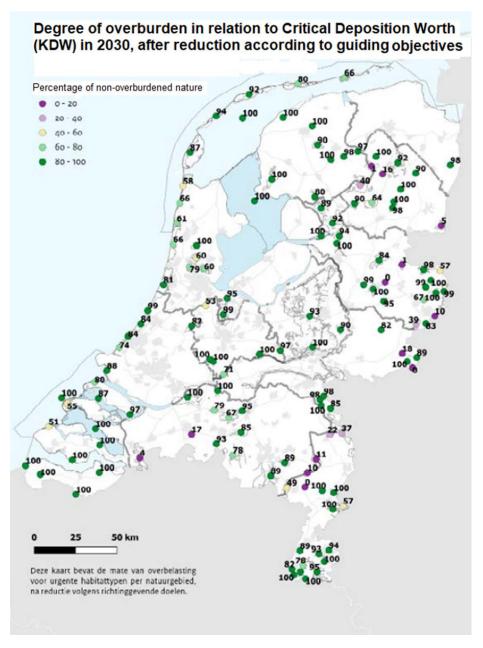
⁶ https://www.rijksoverheid.nl/actueel/nieuws/2022/04/01/versnelling-en-vergroting-stikstofaanpak-voor-sterke-natuur-engezonde-leefomgeving, see <a href="https://www.rijksoverheid.nl/actueel/nieuws/2022/04/01/versnelling-en-vergroting-stikstofaanpak-voor-sterke-natuur-engezonde-leefomgeving, see https://www.rijksoverheid.nl/actueel/nieuws/2022/04/01/versnelling-en-vergroting-stikstofaanpak-voor-sterke-natuur-engezonde-leefomgeving, see https://www.rijksoverheid.nl/actueel/nieuws/2022/04/01/versnelling-en-vergroting-stikstofaanpak-voor-sterke-natuur-engezonde-leefomgeving">https://www.rijksoverheid.nl/actueel/nieuws/2022/04/01/versnelling-en-vergroting-stikstofaanpak-voor-sterke-natuur-engezonde-leefomgeving, see <a href="https://www.rijksoverheid.nl/actueel/nieuws/2022/04/01/versnelling-en-vergroting-stikstofaanpak-voor-sterke-natuur-engezonde-leefomgeving-nieuws/2022/04/01/versnelling-en-vergroting-stikstofaanpak-voor-sterke-natuur-engezonde-leefomgeving-nieuws/2022/04/01/versnelling-en-vergroting-stikstofaanpak-voor-sterke-natuur-engezonde-leefomgeving-nieuws/2022/04/01/versnelling-en-vergroting-stikstofaanpak-voor-sterke-natuur-engezonde-leefomgeving-nieuws/2022/04/01/versnelling-en-vergroting-stikstofaanpak-voor-sterke-natuur-engezonde-leefomgeving-nieuws/2022/04/01/versnelling-en-vergroting-nieuws/2022/04/01/versnelling-engezonde-leefomgeving-nieuws/2022/04/01/versnelling-engezonde-leefomgeving-nieuws/2022/04/01/versnelling-engezonde-leefomgeving-nieuws/2022/04/01/versnelling-nieuws/2022/04/01/versnelling-nieuws/2022/04/01/versnelling-nieuws/2022/04/01/

⁷ https://www.rijksoverheid.nl/documenten/rapporten/2022/06/10/startnotitie-nplg-10-juni-2022, p. 62.

⁸ https://www.rijksoverheid.nl/documenten/rapporten/2022/06/10/startnotitie-nplg-10-juni-2022, p. 33.

present their plans by July 1, 2023, or do not make clear which specific measures will be taken to reach the reduction targets. The escalation mechanism will be published in an "intervention ladder" which will be published by October 2022.⁹

Figure 5. Overburdened Natural Areas in the Netherlands, after Nitrogen GHG Reductions



Source: Adapted from https://www.rijksoverheid.nl/documenten/rapporten/2022/06/10/startnotitie-nplg-10-juni-2022

⁹ https://www.rijksoverheid.nl/documenten/rapporten/2022/06/10/startnotitie-nplg-10-juni-2022, p. 55.

Future of the Dutch Agricultural Sector

Prime Minister Mark Rutte said in his press conference following the presentation of the National Program that:

"It is not a goal on its own to be the second largest agricultural exporter in the world. The goal is to be and remain a country that is a global leader when it comes to the agricultural sector and our farmers." ¹⁰

The government has made a €7.5 billion buy-out scheme available for farmers to bring additional relief to the sector. Those that do not want to be bought-out are asked to innovate, scale up, or move their farms. However, Minister Van der Wal added that the expropriation of farms remains an option, if needed.¹¹

There has been little interest to date from the agricultural sector in participating in buy-out programs, including in the 2020 <u>Targeted Buy-out Scheme</u>. ¹² In fact, under the aforementioned program, the Dutch government did not buy anyone out as of February 2022. ¹³ New buy-out programs are planned for 2022, such as the <u>National Livestock Farming Termination Scheme</u>. ¹⁴ However, several scientists, such as Alfons Beldman from Wageningen University, raise doubts about the efficacy of the proposed buy-out scheme, noting "there is €7.5 billion available for this scheme, and there are 20,000 farms in the Netherlands. If one wants to buy {out} a couple of thousand farms, this might not be enough money." ¹⁵

Reactions to the National Program

The first response from society was mixed -- from "this is unavoidable" to "this will be a total clearance {of the agricultural sector}." However, even before the plan was announced, various Dutch farmer organizations were calling for protests on June 22, 2022, to, in part, emphasize the sector needs to be supported by the government. The scale of this protest remains to be seen, but the topic has received a significant amount of media attention since the announcement of the National Program. Several Dutch farmer organizations have announced that the protest will take place near a nature area known as "de Veluwe" in the province of Gelderland, and not, like previous protests, in The Hague.

There have also been divergent opinions amongst the political parties in the Netherlands on the National Program. <u>D66</u>, one of the political parties in the coalition government, has said it aims to "drastically reduce nitrogen emissions," noting "the herd will have to be smaller, there is no escaping that"." <u>PvdA</u>, an opposition party, noted, "{m}uch of what <u>GroenLinks</u> has been advocating for 30 years when it comes to nature and nitrogen is today announced by the Cabinet" and the party supports a "firm nitrogen

¹⁰ https://www.rijksoverheid.nl/documenten/mediateksten/2022/06/10/letterlijke-tekst-persconferentie-na-ministerraad-10-juni-2022

¹¹ https://nos.nl/artikel/2420602-minister-voor-stikstof-sluit-gedwongen-uitkoop-boeren-niet-uit

¹² See NL2020-0069 Dutch Parliament Approves Law to Reduce Nitrogen Emissions.

¹³ https://www.nieuweoogst.nl/nieuws/2022/02/18/boer-haakt-af-bij-provinciale-stoppersregeling

¹⁴ https://www.rijksoverheid.nl/actueel/nieuws/2021/08/31/landelijke-beeindigingsregeling-veehouderij-voorjaar-2022-open

https://nos.nl/nieuwsuur/artikel/2424059-twijfels-over-gedwongen-onteigening-vanwege-stikstof-gaat-averechts-werken

¹⁶ https://nos.nl/artikel/2432190-gemengde-reacties-op-stikstofplannen-van-onvermijdelijk-tot-kaalslag

¹⁷ https://www.rtvdrenthe.nl/nieuws/14726126/agractie-kondigt-trekkerprotest-aan-in-den-haag

https://www.gld.nl/nieuws/7711678/boeren-gaan-protesteren-op-de-veluwe-in-plaats-van-den-haag

¹⁹ https://cceit.com/d66-wants-cabinet-to-pursue-nitrogen-plans/

plan."²⁰ However, 51 percent of the members of the political party of Minister Van der Wal and Prime Minister Rutte (i.e., the People's Party for Freedom and Democracy (known as the <u>VVD</u>)) believe the government's plan goes too far.²¹ These sentiments were echoed by the Chairman of the <u>Christian Democratic Appeal</u> party who said, "{t}he current plans offer too few prospects for farmers."²²

The leader of the Netherlands Party for Freedom (known as the PVV) noted "our farmers and our food supply are going down." ²³ JA21 stated the plan is "total madness... destruction of our most important food supply, agricultural clear-cutting, and {commented} our beautiful farmland is disappearing." ²⁴ The Farmer's Citizen Movement (known as the BBB) called the proposals "unacceptable" and "inhumane, without perspective, not legally substantiated, not proportional across the sectors." ²⁵ In fact, polling conducted after the National Program was announced indicated the BBB's popularity is on the rise and membership is growing. ²⁶

Given the varying positions, it is clear the discussion of how to reign in nitrogen GHG emissions will remain a high-profile subject for the Netherlands in the coming months.

Attachments:

No Attachments.

²⁰ https://nltimes.nl/2022/06/11/polarized-reactions-cabinets-nitrogen-plans-tweede-kamer

²¹ https://nos.nl/collectie/13901/artikel/2432312-vvd-leden-willen-dat-kabinet-stikstofbeleid-aanpast

²² https://nltimes.nl/2022/06/14/coalition-party-cda-demands-changes-nitrogen-plans

https://nltimes.nl/2022/06/11/polarized-reactions-cabinets-nitrogen-plans-tweede-kamer

²⁴ Id.

²⁵ Id.

https://www.hartvannederland.nl/nieuws/politiek/bbb-groeit-door-naar-derde-partij-in-peiling-de-hond-vvd-verliest-zetels and https://www.destentor.nl/deventer/boerburgerbeweging-ziet-enorme-groei-na-stikstofplannen-door-absurd-beleid~af5bfb07/