

PRESS RELEASE

**TAXATION CAN BE A TOOL TOWARDS TRUE COST ACCOUNTING ACCORDING TO NEW STUDY**

BOLZANO, ITALY, 10 APRIL 2019 – Conventional potato cultivation in Germany costs €1298/hectare in ground water pollution alone. For organic potato production the cost on ground water pollution decreases to €0.4/hectare. Showing how taxation can be a tool towards a more sustainable, fairer and more transparent food system is the topic of the study [“Taxation as a tool towards true cost accounting”](#), which was launched today at the first edition of the [Best Economy Forum](#).

In its study, [Soil & More Impacts](#) analyses the six potential mechanisms of indirect taxation as a tool to show the true cost of food. The study shows that a tax on non-organic plant protection products (PPPs) and/or fertilizers is the most realistic way to account for the true cost of food. Such a tax may also discourage the use of environmentally unfriendly PPPs. According to Inka Sachse, researcher at Soil and More Impacts, the cultural and economic context of these taxes are crucial. She stated: “Only a combination of policy, taxation, communication and providing realistic alternatives is effective, whereas the taxation might be of lesser importance”.

Eduardo Cuoco, IFOAM EU Director, said: “The organic movement commits to finding solutions for a fairer and more transparent food system. To achieve this, all operators in the system need to collaborate. Together they should ensure that value and power are fairly distributed and that costs and benefits of food production are equitably accounted for.”

IFOAM EU wishes to work with policy-makers to develop a unified framework of indicators for true cost accounting. This would make the “polluter pays” principle tangible and reward practices that deliver public benefits. The European organic food and farming movement hopes that this study is a stepping stone to shape a more sustainable, fairer, and more transparent food system.

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Background information

The [Best Economy Forum](#) is an international discussion platform for companies that successfully implement sustainability strategies.

IFOAM EU commissioned the study [“Taxation as a tool towards true cost accounting”](#) to [Soil and More Impacts](#).

IFOAM EU represents more than 200 member organisations in the EU-28, the EU accession countries and EFTA. Member organisations span the entire organic food chain and beyond: from farmers and processors organisations, retailers, certifiers, consultants, traders and researchers to environmental and consumer advocacy bodies



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