

ENSA contribution to The Netherlands consultation on consumption tax on non-alcoholic beverages based on sugar

ENSA, the European Plant-based Foods Association welcomes the opportunity to contribute to the discussions on the future of the consumption tax on non-alcoholic beverages in place since 1993 in The Netherlands.

ENSA wishes to express its deep concerns about the existing consumption tax and its clearly distorting effects in the marketplace which unfairly penalises consumers and contradicts The Netherlands sustainability commitments.

While milk and soy drinks are already exempted from this tax, all **other plant-based beverages are categorised as “lemonade” and treated the same way as soft drinks** and other thirst quenchers. However, this categorisation is fundamentally incorrect:

- Plant-based drinks are rich in essential nutrients like vitamins, minerals, proteins and fibre, while being low in saturated and unsaturated fats. All in all, they offer a favourable nutrient profile, in line with global dietary guidelines.
- Thanks to their nutritional properties plant-based beverages serve a broader range of purposes, unlike soft drinks, they are commonly integrated into meals, snacks, and culinary recipes, such as pouring over breakfast cereals, mixing into coffee and tea, and used as ingredients in cooking and baking.

Additionally, the current consumption tax creates an **uneven level-playing field and penalises the plant-based beverages** (except soy) which is contrary to the government's goal of encouraging affordable, healthy, sustainable food choices and ensuring food security:

- Plant-based beverages have a low environmental impact, which makes them a key ally in the transition to healthy and sustainable food systems.
- The availability of a wide range of plant-based beverages plays a significant role to guarantee food security by offering sustainable alternative food options.
- It is critical to promote the affordability of sustainable food products particularly amidst high inflation and food supply chain tensions.
- It goes against consumer preferences by penalising those who cannot or do not want to consume dairy beverages or soy drinks for health, personal, ecological or ethical reasons.
- It hinders the innovation and investment in new plant-based products in The Netherlands, and it does not take into account the rapid growth of new plant-based beverages now available in the market.
- A growing market for plant-based beverages creates economic opportunities for farmers, producers, and entrepreneurs.
- Research by Kieskompas shows that 70% of Dutch voters believe that vegetable products should not be taxed more heavily than their animal counterparts.

Finally, although the consumption tax initially intended to encourage citizens to make healthier food choices, the scheme may no longer be fit for purpose due to incoherences in its approach. For instance, chocolate milk with very high sugar content is currently exempt from the tax, while sustainable and healthier alternatives beverages such as oat drinks are heavily taxed under the current regime. In addition, producers of juices and soft drinks could avoid being taxed by adding a small amount of dairy to their products.

ENSA welcomes the willingness of the government to explore different scenarios regarding the scope of products that shall be covered by the future consumption tax based on sugar, as highlighted by the different scenarios proposed.

Against this background, **ENSA strongly advocates that the future consumption tax based on sugar content, should primarily ensure a fair competition between milk and plant-based beverages. If any beverages, such as unflavoured milk and soy drinks, are exempted from the sugar tax due to their inherently healthy nutritional profiles, it is crucial that all unflavoured plant-based beverages are also exempted. This is to prevent any unnecessary and unfair distortion in the market.**

In any case ENSA favours a scenario which steers both consumers and producers towards healthier and sustainable food choices and therefore under no circumstances plant-based beverages shall be placed in the same category as sugar-sweetened beverages (SSBs).

This is currently the case in the [UK](#), where the taxes framework applied to sugar-sweetened beverages exempts both milk and plant-based drinks, with clear stipulations on what constitutes a plant-based drink. In [Slovakia](#) the Ministry of Finance has submitted a draft bill for consultation to introduce a tax on sugar-sweetened beverages. Both milk and plant-based beverages are exempt as it is proposed that drinks that represent specific categories of food that are necessary to satisfy nutritional requirements or needs of certain clearly identified population groups should be exempt from this tax.

The European Plant-based Foods Association (ENSA) represents the interests of plant-based food manufacturers in Europe. ENSA is an association of internationally operating companies, ranging from large corporations to small, family-owned businesses. ENSA members produce high-quality plant-based alternatives to dairy and meat products. Since its establishment in 2003, ENSA has been raising awareness about the role of plant-based diets in moving towards more sustainable and healthier food consumption patterns.