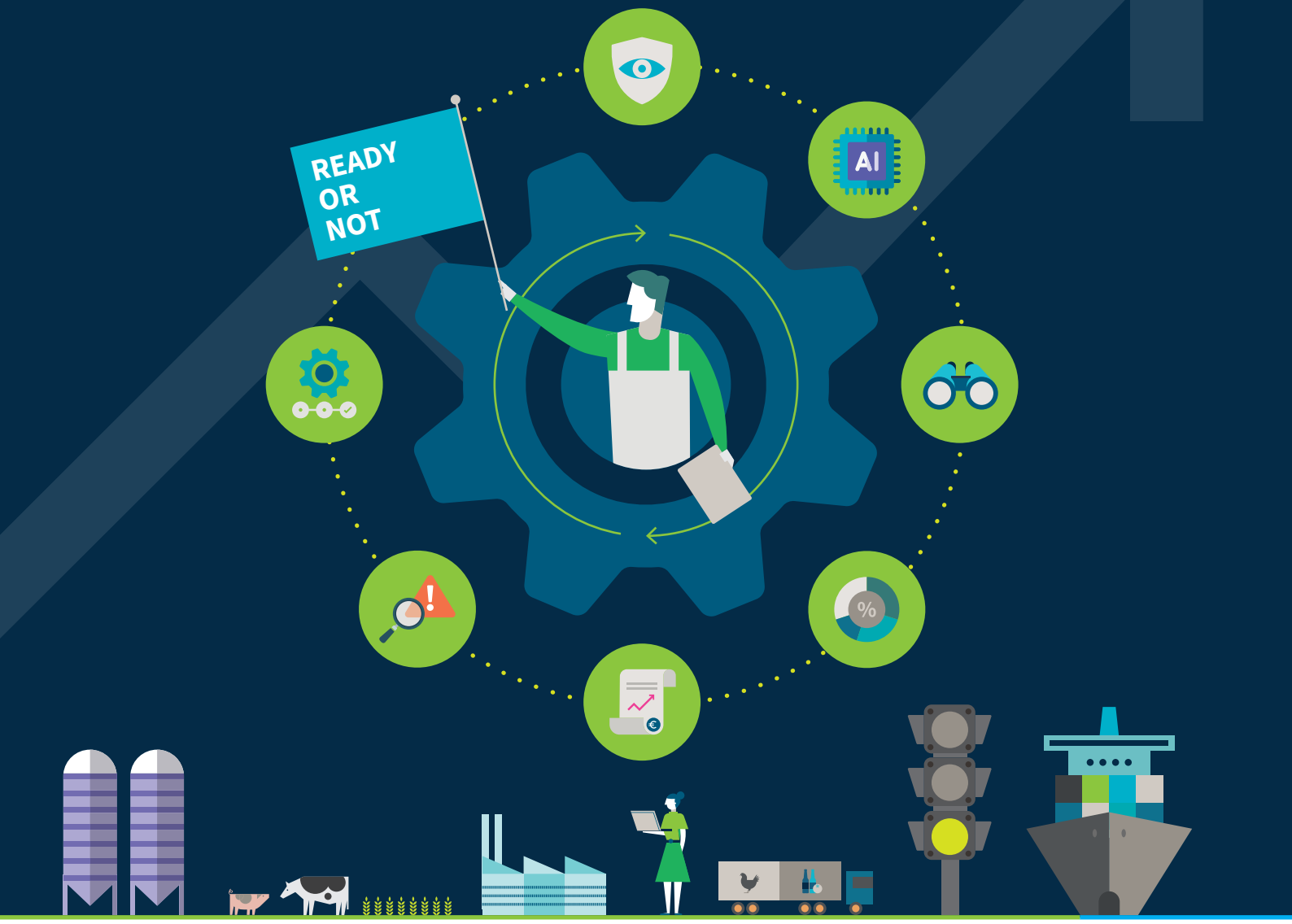
ACCOUNTANCY | PLANNING | ADVICE

Food and Agribusiness Report 2026

9th edition



65%
optimistic about the performance of their business over the next 12 months

91%
reported an increase in costs this year, the highest in nine editions of the report

48%
have nothing in place to support employees' AI use

75%
have no clear succession or leadership transition plan

Contents

Overview

Foreword – John Donoghue	1
Report overview – David Leydon	2
Key takeaways	4
Selected contributors to the report	38
Ifac research and reports	39
About *ifac*	40
The *ifac* team	41

1 **Keynote interview**

Read more **pg 6**

2 **Business performance and outlook**

Read more **pg 9**

3 **Economics**

Read more **pg 12**

4 **Management accounting**


Read more **pg 14**

5 **Food and drink**

Read more **pg 16**

6 **Artificial Intelligence (AI)**

Read more **pg 19**

7 **Reputation and visibility**

Read more **pg 22**

8 **People and culture**

Read more **pg 25**

9 **Exporting**

Read more **pg 28**

10 **Tax and succession**

Read more **pg 30**

11 **Finance and restructuring**

Read more **pg 32**

12 **Financial planning**

Read more **pg 34**

13 **Sustainability**

Read more **pg 36**



Avril Collins
Marketing and Communications Consultant, ifac
Project Manager

Published: 9th September 2026 by *ifac* (9th edition)
Edited: David Leydon
Written and compiled by: Avril Collins, Amy Ward Whelan, Maura O'Callaghan, Andrew Brolly, Stephanie Walsh, Oisín Gryson, Lorraine Glynn, Jane Walker, Karol Kissane, Mary McDonagh, James Farrell, Marty Murphy, PJ O'Brien, Martin Glennon, Tom Murray, Lauren Wall, *ifac*
Designed: Fabrik Creative Media Limited
Print: JM Mailing
Paper: Certified by Forest Stewardship Council, EU Eco-Management and Audit Scheme, European Climate Foundation.

Disclaimer: *ifac* shall have no liability for any loss or damage however arising, be it by negligence or otherwise, as a result of use or reliance upon the information in this report. Persons seeking to place reliance on any information contained in this report for commercial purposes do so at their own risk. *ifac* Investment Services Ltd. t/a *ifac* Financial Planning is regulated by the Central Bank of Ireland

© *ifac* 2026

Foreword

Leading a business starts with a clear view of the future, seeing what is possible, making choices and having the confidence to act. But vision alone is never enough. Successful businesses are built by doing the right things, consistently and well, day after day.



JOHN DONOGHUE
CEO, *ifac*

That ambition comes through strongly in this year's *ifac* Food & Agribusiness Report.

After a period of caution, Ireland's food and agribusiness businesses are backing themselves again. Nearly eight in ten intend to grow over the next year. That is significant in today's environment.

Optimism has eased from last year's high, while 91% of businesses have experienced increased input costs, the highest level recorded across nine editions of this Report. Yet businesses are not waiting for conditions to improve. They are investing, adapting and moving forward.

The challenge now is to turn that ambition into sustainable, profitable growth.

For many, increased activity has not yet translated into stronger margins. Encouragingly, businesses are adapting. Food manufacturers in particular are using innovation and operational improvements to manage costs, protect margins and remain competitive.

There are positive signs internationally too. Tariff concerns have eased, while more businesses now generate over half their turnover outside Ireland. For those looking to follow, securing customers, shelf space and distribution remains difficult, but with the right preparation these barriers can be overcome.

Preparation matters just as much closer to home.

Succession remains one of the clearest gaps between ambition and readiness. Three quarters of respondents still do not have a completed leadership succession plan, a figure that has barely changed in almost a decade. Too many are also not structured appropriately for transfer to the next generation.

Succession does not begin when an owner decides it is time to step away. It begins years earlier. Starting early creates choices, time to develop the next generation of leadership, put the right structures in place and protect the value built over many years.

Cashflow pressures have eased substantially and, while day-to-day firefighting remains a common challenge, it too is moving in the right direction. Strong businesses find a way to lift their eyes from today's pressures and make time for the decisions that will shape where they are in five or ten years.

At *ifac*, we believe our role is to help business owners bring clarity to the decisions that matter, turn opportunity into a plan and build businesses that are stronger, more valuable and better prepared for the future.

For more than 50 years, we have worked alongside Ireland's farming, food and agribusiness community. Today, we partner with 20,000 farmers, 3,000 agrifood businesses and 9,000 family businesses across Ireland.

My thanks to David Leydon, our Food & Agribusiness team, our contributors and the business owners who shared their experiences with us.

I hope this Report gives you useful insight, challenges your thinking and prompts you to consider where you want your business to go and what needs to be done next.

Having a vision for the future matters. Building it starts with what you do today.

Best wishes,
John Donoghue, CEO, *ifac*



Optimism falls, costs hit a nine-year high but 79% still plan to grow

65% of food and agribusiness organisations are optimistic about the next 12 months, while 91% reported an increase in costs, the highest level recorded in nine editions of this Report. Despite that, 79% intend to grow over the next 12 months and 38% plan to employ more people.



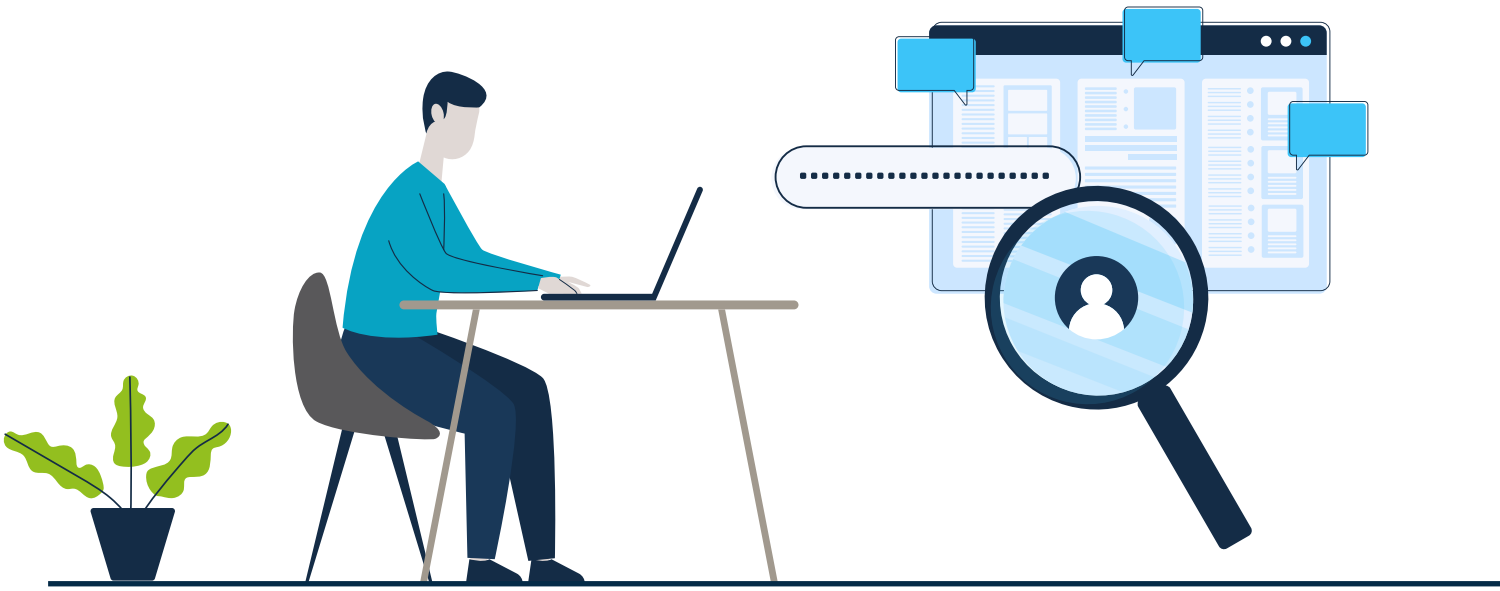
DAVID LEYDON
Group Head of Growth and Agrifood Consulting, *ifac*

> **TAKEN TOGETHER, THE FIGURES POINT TO CAUTIOUS AMBITION."**

Businesses are less confident about the wider environment, but they are still planning to grow. The challenge now is profitable growth.

Some key findings from this year's Report:

- **Margin:** 58% increased revenue over the past 12 months, but only 38% increased net profit. With people costs, energy, compliance, transport and other costs rising, owners need to know where margin is being made by market, product, customer and channel.
- **Financial visibility:** Half of businesses receive monthly management accounts, while one in four still only receive formal numbers annually. In a year when costs are moving quickly, twelve months is a long time to wait to understand how the business is performing.
- **Supply-chain risk:** 49% experienced a significant supply-chain disruption during the year, yet many have no formal supplier risk monitoring or scenario planning in place. Many businesses have responded by carrying more stock. That can provide protection, but it also ties up cash and increases carrying costs.
- **Artificial intelligence:** AI use has risen from 21% three years ago to 80% today. However, 48% have nothing in place to govern its use and many have no designated person or team responsible for it. Businesses are finding useful applications for AI, but management oversight has not kept pace.
- **People:** 38% expect to employ more people over the next 12 months, while skills shortages, salary expectations and rising employment costs remain significant issues. Our keynote interview with Professor Karina Pierce looks at the capabilities the next generation of agrifood leaders will need, including technical expertise, communication, judgement and the ability to work well with technology.



- **Succession:** Only 25% have a clear succession or leadership transition plan in place, with a further 39% having started the process. This has remained a persistent issue throughout the nine years of our research. Shares can transfer quickly but as we all know leadership, knowledge and relationships take much longer.

The theme of this year's Report is Ready or Not. Across several areas, change is moving faster than the structures businesses have in place to manage it. AI adoption has moved ahead of governance. Supply chain disruption has prompted action, but formal risk monitoring remains limited. Many owners know succession needs to be addressed, but three quarters still do not have a completed plan.

There are also encouraging signs. Existing exporters are deepening their international business, with the share earning more than half their turnover internationally rising from 24% to 32%. New product development remains a major growth opportunity, with 63% of food manufacturers identifying it among their top opportunities for the year ahead. Sustainability activity also remains strong despite the reduction in formal reporting pressure.

Our keynote interview this year is with Professor Karina Pierce, the newly appointed Head of the UCD School of Agriculture and Food Science. Her focus on the next generation is timely. Businesses can invest in technology, products and markets, but they will still need capable people to lead them, question information, communicate well and make good decisions. Her ambition for industry engagement is worth reading.

Across the Report we have tried to keep the focus practical. We look at margin and management information, supply-chain risk, exporting, AI, employment costs, sustainability, succession, corporate finance and financial planning.

> **THE AIM IS TO GIVE OWNERS AND MANAGEMENT TEAMS USEFUL INFORMATION THEY CAN APPLY IN THEIR OWN BUSINESSES."**

The ambition to grow is clearly there. This year's findings suggest that the businesses best placed to deliver that growth will be those that have the information, people, systems and planning to support it.

I hope you find the ninth edition useful and, as always, thank you to everyone who contributed their time, experience and views to this year's Report.



How we work with clients

The *ifac* offering to SMEs, Co-Ops, family businesses and organisations in the food and agribusiness sector continues to develop and expand. Our team of specialists have a deep understanding of food and agribusinesses and we are engaged by companies and organisations on a full range of professional services.

Our advisory services include business strategy, financial reviews, market research, retail advisory, business transformation, AI integration, sustainability and communications. Our wider team advise on tax, accounting, corporate finance, banking and succession. This puts *ifac* in the unique position of being a valued advisor across the agrifood sector.

Our international business, Pinion Global Network, along with our involvement with Prime Global means that we are well positioned to work with you on your internationalisation approach.

Through listening and collaboration, we can help you establish where you want to go, where you should be going and how to get there.

We work with great organisations throughout Ireland and internationally, from start-ups to long established businesses. Please do not hesitate to get in touch for a confidential chat.

Contact

David Leydon,
Group Head of Growth and Agrifood Consulting:
davidleydon@ifac.ie

Thank You

Thank you to all my colleagues in *ifac* who contributed to this Report, in particular the Food and Agribusiness team and Avril Collins who was the project manager.

Thank you also to our keynote interviewee, Professor Karina Pierce, Head of the UCD School of Agriculture and Food Science, to Karli Olsen from Pinion, and to John Boylan from Boylans Fruit.

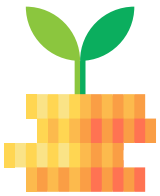
Key takeaways

BUSINESS PERFORMANCE AND OUTLOOK

65%

optimistic about the performance of their business over the next 12 months.





79%

intend to grow the business over the next 12 months.

91%

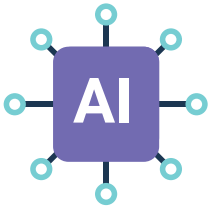
reported an increase in costs this year.



ARTIFICIAL INTELLIGENCE (AI)

48%

have nothing in place to support employees' AI use.



89%

do not have a designated person or team responsible for AI in the business.



EXPORTING

61%



currently export, and 32% of those generate more than half their turnover abroad.

SUSTAINABILITY

35%

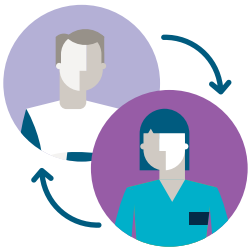


are taking more sustainability actions than last year.

SUCCESSION

75%

have no clear succession or leadership transition plan.



68%

would recommend the agrifood sector to the next generation.

FOOD AND DRINK

63%

of food businesses cited launching new products as the top growth opportunity.



PEOPLE

38%

plan to employ more people over the next 12 months.



SUPPLY CHAIN

49%

had a significant supply disruption.

47%

increased safety stock or buffer inventory.



READINESS

58%

have no crisis communications plan.



Keynote interview

1

Building Ireland's next generation of agrifood talent

Professor Karina Pierce sets out five priorities for the future of Irish agrifood education.

Technology, sustainability and genetics will all shape the future of Irish agrifood, but Professor Karina Pierce believes its competitiveness will ultimately depend on people and on how closely industry and education work together to develop them. In discussion with *ifac's* David Leydon, the newly appointed Head of the University College Dublin School of Agriculture and Food Science sets out five priorities for the next five years and explains why industry has become one of the university's most important teachers.

Finding good people has become one of the defining challenges facing Irish agrifood businesses. It is a concern we hear repeatedly from dairy processors, advisory firms, agtech companies and family-owned businesses. Businesses can invest in new technology and set ambitious growth plans, but without talented people to lead them, strategy quickly reaches its limits.

Few people have a better vantage point on that challenge than Professor Karina Pierce, the newly appointed Head of the UCD School of Agriculture and Food Science. Appointed in the School's centenary year and the first woman to hold the position, Karina leads Ireland's largest single pipeline of agrifood graduates. Over more than two decades as an academic, researcher and Programme Director of the Dairy Business degree, complemented by significant board experience across the agrifood sector, she has watched both agriculture and its future workforce evolve.

For Karina, the conversation about talent is about producing graduates with a broader set of capabilities and ensuring universities and industry work far more closely together in shaping them.



David Leydon, *ifac*, and Professor Karina Pierce, UCD

FIVE PRIORITIES FOR IRISH AGRIFOOD

Karina is clear that her ambition extends well beyond running Ireland's leading agricultural school. Over the next five years she wants the School to become even more outward-looking and more closely connected to the industry it serves, built around five priorities:

1. **Building deeper partnerships with industry**, ensuring businesses help shape teaching and research rather than simply recruiting graduates at the end of the process.
2. **Embedding AI across the curriculum**, equipping graduates to apply judgement, challenge AI outputs and work confidently alongside rapidly evolving technology.
3. **Developing sharper communication skills**, recognising that leadership, teamwork and the ability to influence others are every bit as valuable as technical expertise.
4. **Creating a founder culture**, encouraging students to think entrepreneurially, solve real-world problems and develop the confidence to create opportunities rather than simply seek employment.
5. **Driving progress on generational renewal**, working with industry and policymakers on one of the sector's most significant long-term challenges.

Taken together, the priorities signal a very outward-looking vision for the School, one that places industry engagement, graduate capability and practical impact alongside academic excellence.

CHANGING STUDENTS

The UCD School of Agriculture and Food Science today is a very different institution from the one Karina entered as a student. Fourteen undergraduate programmes serve almost every part of the agrifood value chain, reflecting an industry that has become significantly more diverse. While some graduates still return to primary agriculture, many now build careers across advisory services, food processing, agri-business, finance, sustainability and technology.

That diversity is reflected in the students themselves. Many still come from farming families, although increasingly they are not the son or daughter who will inherit the farm but one of several siblings who grew up immersed in agriculture and see their future contributing to the industry in other ways.

Alongside them sits a steadily growing cohort with no farming background at all, drawn by an industry that now offers careers spanning business, science, technology and innovation, with international opportunities in many organisations.

Rather than seeing this changing demographic as a challenge, Karina believes it is one of Irish agriculture's strengths. The sector is navigating climate change, shifting consumer expectations, AI, data-driven decision-making, people shortages and generational renewal simultaneously. Solving challenges of that scale requires people willing to challenge established assumptions. As Karina observes, some of the most valuable ideas come from those who arrive without generations of agricultural tradition behind them.

One shift does concern her, as many as 70% of new students now come from Dublin and six surrounding counties, a remarkable change from the geographically diverse classrooms she remembers as a student. Rising accommodation costs, the cost-of-living crisis and the growth of regional agricultural programmes have all altered where students choose to study.

Karina remembers lecture theatres filled with students from every corner of Ireland, from west Kerry to the northern tip of Donegal, bringing different farming systems and perspectives into every discussion. "It was a melting pot," she reflects. Today's students are every bit as capable, but their experience before arriving at university is increasingly shaped by geography and by a more digital world.

THE SKILLS EMPLOYERS NOW VALUE MOST

The traditional foundations of an agricultural education matter as much as ever. When Karina speaks with organisations such as the Department of Agriculture, Food and the Marine or Teagasc, they emphasise that scientific capability, soil science, biology, statistics and analytical rigour remain fundamental to producing graduates capable of supporting one of Ireland's most important indigenous industries.

Industry expects technical knowledge, but on its own it is no longer enough. Employers want graduates who can interpret data rather than simply produce it, work across disciplines, explain complex ideas clearly and think critically in a world where AI will increasingly handle routine analysis.

Karina argues that employers place growing value on graduates who can present ideas, connect with people and analyse information critically. The ability "to present, to talk, to connect, to critically analyse" is becoming as important as technical capability. As AI accelerates, those distinctly human capabilities become more valuable rather than less. Technology may generate information, but judgement, communication and leadership remain difficult to automate.

Developing those skills has become harder. Today's students have grown up communicating through smartphones and social media rather than face to face and Karina notices the difference. Students entering first year are often more hesitant to speak in lecture theatres than previous generations were. Confidence builds over time, but universities can no longer assume it arrives naturally alongside academic achievement.

That is why, in her view, some of the most important learning now happens outside the lecture theatre. AgSoc committees, debating competitions, group projects and Careers Day all require students to negotiate, persuade and collaborate. These capabilities cannot easily be taught through lectures alone. In an era when almost every lecture can be watched online, Karina believes the case for physically being on campus has become stronger, not weaker.

PREPARING GRADUATES FOR AN AI WORLD

Asked how well the School is preparing students for an AI-driven future, Karina is candid: “We need to do a much better job.” She describes a school learning alongside the industries it serves. Whether advising farmers, analysing markets or developing breeding programmes, graduates will increasingly work alongside AI rather than independently of it.

The challenge for universities is teaching students how to think, as it has always been. Students are increasingly encouraged to use AI in project work, but with an important condition, they must demonstrate they can question its outputs, challenge assumptions and apply their own judgement, which mirrors exactly what employers will expect. AI may dramatically reduce the time it takes to gather information or generate first drafts, but it cannot replace experience, curiosity or critical thinking. The graduates who thrive will be those who know the right prompts, as well as when AI is wrong, incomplete or missing the wider context.

Karina is clear that universities cannot navigate this transition alone. UCD is developing institution-wide AI strategies and exploring a dedicated AI centre for the university and industry. Yet she repeatedly returns to the same conclusion, industry itself has become one of the university's most important teachers, often implementing AI in ways academia will only encounter months later, which makes collaboration essential.

BUILDING MORE THAN GRADUATES

Technology is only one part of Karina's vision for the next five years. Asked what success would look like at the end of her term, she spoke about culture: creating an environment where students develop as confident problem-solvers, entrepreneurial thinkers and future leaders, as well as graduates with excellent degrees.

She has an ambition to create a "founder culture". Karina sees founder culture as creating opportunities for students to work on real industry problems, develop entrepreneurial thinking and build confidence beyond the classroom. That culture will develop first through extracurricular activity and closer engagement with industry, before becoming more deeply embedded in academic programmes.

The idea reflects a broader change across higher education, where employers increasingly recruit for mindset as much as knowledge. Technical expertise remains essential, but businesses also need graduates who will take the initiative and respond confidently to problems with no textbook solution. Those qualities develop through live projects, placements and industry partnerships, not lectures alone. That is why Karina sees industry both as a destination for graduates, and as an active partner in their development. If Irish agribusiness wants graduates who understand commercial reality, business leaders need to help shape that reality inside universities.

FROM RESEARCH TO PARTNERSHIP

Throughout the interview, Karina repeatedly returns to a simple proposition, universities and industry should work together from the beginning of a problem, not only at the end.

Too often, research has followed a familiar model, academics identify a question, undertake the work and eventually present the findings to industry for implementation. Karina believes there is an opportunity for businesses to become involved much earlier, helping shape research questions from the outset rather than only engaging once findings have been produced.

That philosophy is already visible at UCD Lyons Farm, where major developments, from infrastructure to calf facilities and the FBD Agricultural Science Centre, have been built through close collaboration with industry partners.

The same thinking underpins the School’s growing focus on generational renewal. Recognising succession and rural viability as strategic challenges for the sector, UCD has created a dedicated academic role at the intersection of academia, industry and public policy, covering questions from part-time farming and income diversification to European policy development.

A CHALLENGE FOR IRISH AGRIBUSINESS

Towards the end of the discussion, Karina was asked what she would say to the CEO who insists, “I just can’t find good people”.

Karina believes the issue is not always a shortage of talent, but also the competition to attract it. Competition for exceptional graduates exists in every sector and the businesses that consistently attract the best people understand that graduates now judge employers differently from previous generations. Salary matters, but so do purpose, culture, leadership and the chance to build a meaningful career. Graduates increasingly want to know where a business is going before deciding whether they want to be part of its journey.

Her confidence in the next generation is unmistakable. Despite the public narrative that often surrounds agriculture, she sees talented, ambitious and enthusiastic young people continuing to choose agrifood because they see a future in the sector. The opportunity and perhaps the responsibility for industry is to match that optimism, and to give those graduates compelling reasons to build their careers here.



PROFESSOR KARINA PIERCE
Head of the UCD School of Agriculture and Food Science

Interests
An Tóchar GAA and Wicklow GAA, the home of the Tailteann Cup

Favourite book
A Thousand Splendid Suns by Khaled Hosseini

Favourite podcast
The Rest is Politics

Career advice
Take the job seriously but don’t take yourself too seriously

Morning person or night owl
Morning person whether I like it or not. I have to hit the road to UCD at 6.10am to avoid the M50!

2 Business performance and outlook



OISÍN GRYSON
Food and Agribusiness Financial Consultant, *ifac*

79% of agrifood businesses are planning to grow over the next 12 months. Input costs rose for 91% of businesses, the highest level since the research began in 2018. 58% grew revenue over the past 12 months, although only 38% grew net profit as margins are squeezed.

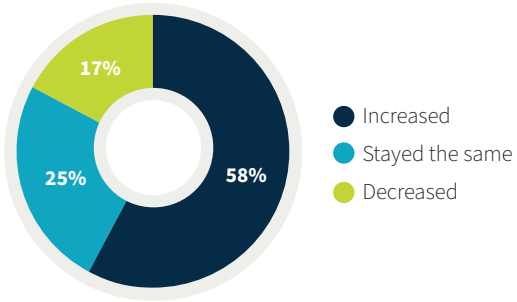
Optimism has fallen from last year's high, with 65% of businesses optimistic about the next 12 months.



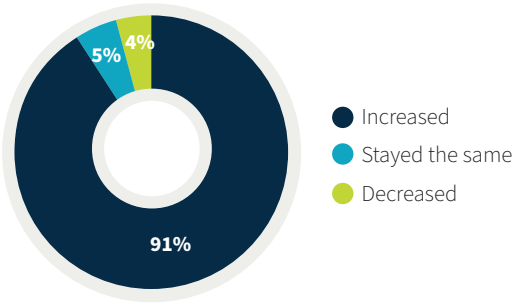
FINANCIAL PERFORMANCE UNDER PRESSURE

Input costs increased for 91% of businesses over the past 12 months. Despite this, businesses are adapting with almost six in ten reporting an increase in revenue. Converting revenue into profit remains a challenge, with fewer than four in ten businesses achieving a net profit increase.

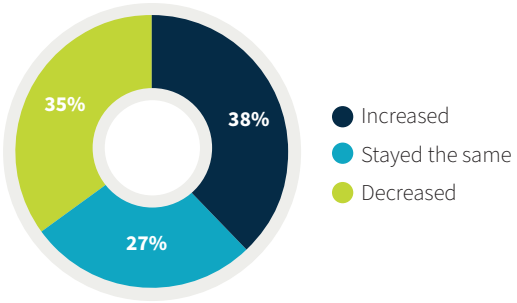
REVENUE



INPUT COSTS

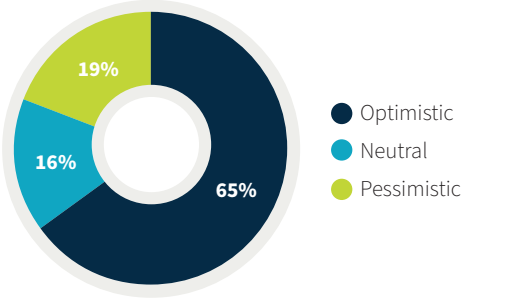


NET PROFIT



OPTIMISM

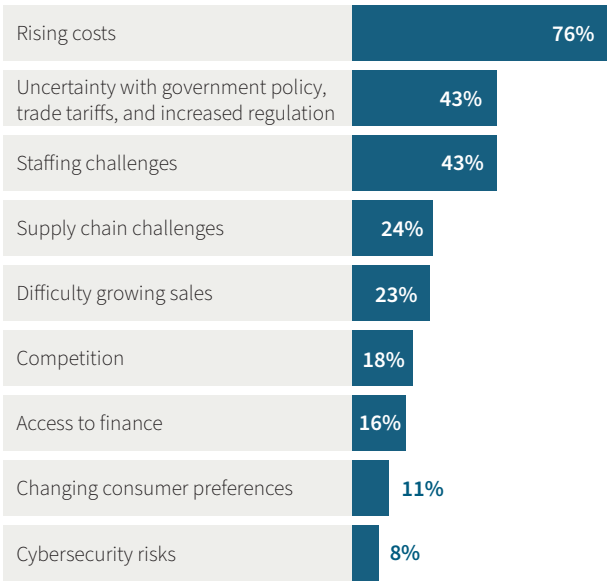
65% of businesses are optimistic about the next 12 months while 19% of businesses are pessimistic about the future.



CHALLENGES

The top three challenges that businesses are facing are consistent with last year. However, cost pressure has intensified, with the proportion of businesses citing rising costs as a challenge increasing by 16 percentage points to 76%. Government policy uncertainty and staffing challenges are joint second at 43%.

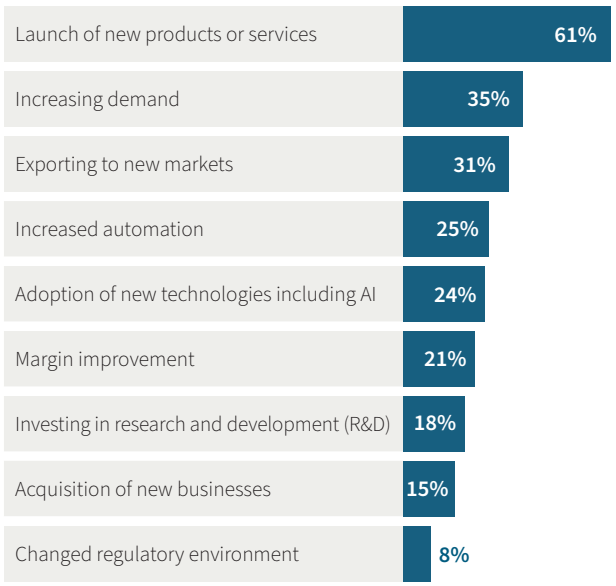
CHALLENGES TO GROWTH



OPPORTUNITIES

Launching new products or services remains the leading growth opportunity, cited by 61% of businesses, up a further four percentage points this year. Increasing customer demand (35%) and exporting to new markets (31%) rank second and third.

OPPORTUNITIES FOR GROWTH



BUSINESS RED FLAGS

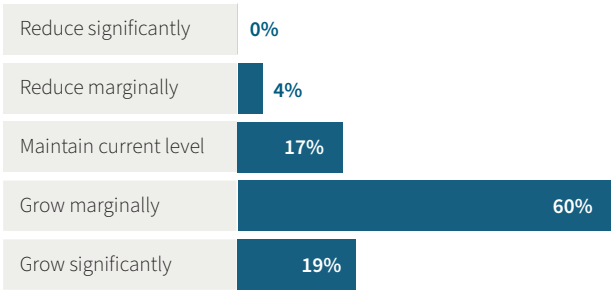
Business red flags have eased. Firefighting remains the most common issue, reported by 25% of businesses. 22% have concerns around stock levels followed by short- or medium-term cashflow issues (21%).



FUTURE PLANS

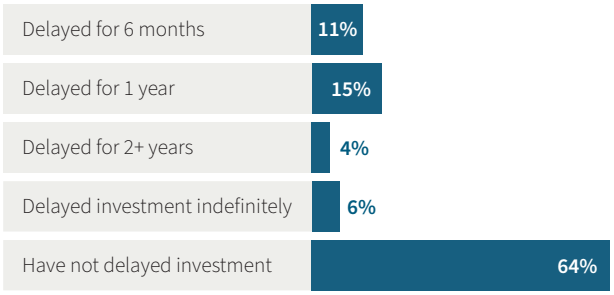
Almost eight in ten businesses (79%) intend to grow over the next 12 months. Most expect that growth to be measured rather than transformational, with 60% planning to grow marginally and 19% significantly.

INTENT TO GROW



36% of businesses have delayed investment due to uncertainty. Despite the increased costs being experienced, fewer businesses are holding back on investment than a year ago.

DECISION TO DELAY INVESTMENT DUE TO UNCERTAINTY



Managing margin in a high-cost environment



JAMES FARRELL
Head of SME, *ifac*

The gap between revenue growth and profit growth stands out in this year's survey. While 58% of businesses increased revenue over the past 12 months, only 38% increased net profit and almost all faced higher input costs.

For owners, the question is whether the growth they are delivering is generating an adequate return.

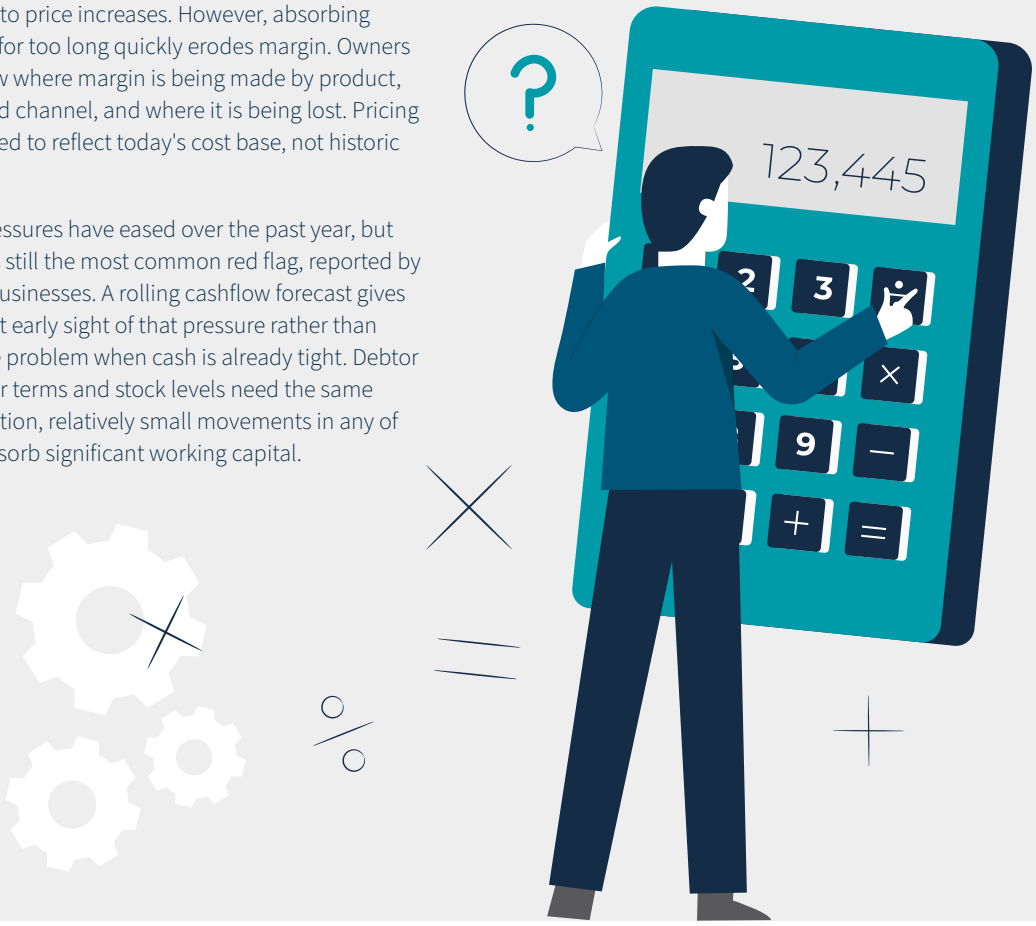
When costs rise, businesses can be slow to pass them on, particularly where there is concern about how customers will respond to price increases. However, absorbing higher costs for too long quickly erodes margin. Owners need to know where margin is being made by product, customer and channel, and where it is being lost. Pricing decisions need to reflect today's cost base, not historic margins.

Cashflow pressures have eased over the past year, but firefighting is still the most common red flag, reported by one in four businesses. A rolling cashflow forecast gives management early sight of that pressure rather than surfacing the problem when cash is already tight. Debtor days, creditor terms and stock levels need the same regular attention, relatively small movements in any of them can absorb significant working capital.

The renewed appetite for growth shows almost eight in ten businesses intending to grow over the next 12 months and fewer are delaying investment because of uncertainty. That makes financial discipline more important. Investing in growth consumes cash before it generates cash. Before investing in equipment, launching a product or entering a new market, management needs to know what the investment will cost, how much additional working capital it will tie up, what margin it will earn and how long it will take to pay back. Detailed projections and budgets can assist business owners in making these decisions.

Launching new products or services is the leading growth opportunity identified this year, and almost a third of businesses see potential in new export markets. Both can create real value, but business owners need to ensure they are driving margin and not just revenue.

In a high-cost environment, profitable growth matters more than growth for its own sake.



3 Economics



KAROL KISSANE
Head of Public Sector Services and Economics, *ifac*

From just-in-time to just-in-case

Was your business ready for the last disruption? What about the next one?

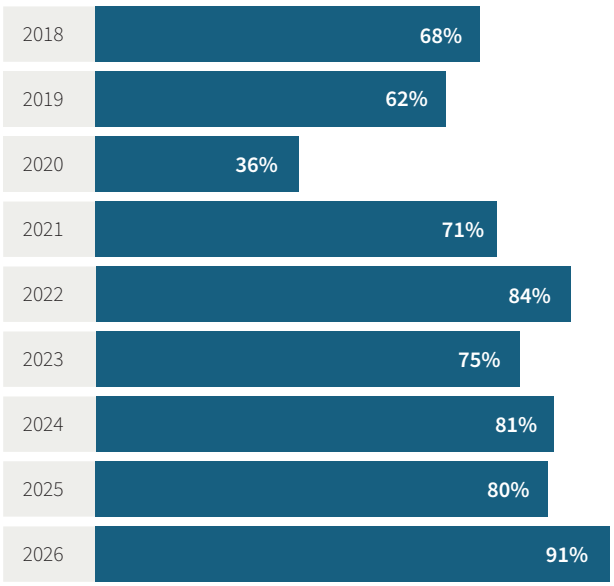
91% of food and agribusiness respondents reported rising input costs over the last 12 months, the highest level recorded in nine editions of this Report. Faced with repeated supply chain disruption, many businesses have responded by carrying more inventory, with 47% of respondents increasing their level of safety stock. Far fewer have invested in formal supplier risk monitoring or scenario planning.



Input costs remain at record levels

The longer-term data shows that cost pressures have remained elevated since the inflation surge of 2022–2023, rather than returning to earlier levels. More than a quarter of businesses (27%) now report that costs have 'increased significantly'.

INPUT COST INCREASED



A number of factors are contributing to a higher cost base, including energy, labour, compliance, transport and logistics. For businesses carrying additional safety stock, there is another cost to consider, the working capital tied up in inventory, along with storage, insurance and the risk of obsolescence or waste.

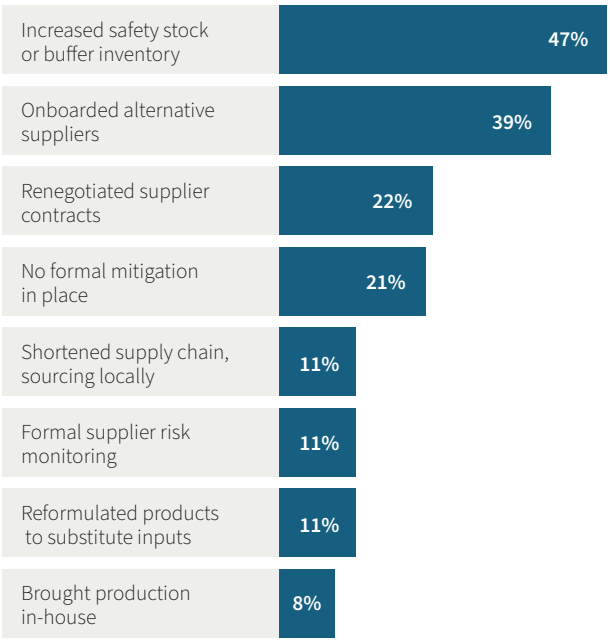
THE SECTOR RESPONDED WITH INVENTORY

Disruption was widespread. Nearly half of respondents (49%) experienced a supply chain disruption in the past year, and 72% of those who did experienced more than one.

Increasing safety stock was the most common response to disruption, reported by 47%, followed by adding or diversifying suppliers at 39% and renegotiating supplier contracts at 22%. Only 11% introduced formal supplier risk monitoring or scenario planning and 21% put nothing structured in place at all.



HOW BUSINESSES RESPONDED: JUST-IN-CASE, NOT REDESIGN



Agribusinesses increased safety stock (61%) far more often than they added suppliers (34%). Food manufacturers did the reverse, adding suppliers (53%) ahead of holding more stock (33%), a more scalable response and one better suited to managing shorter shelf life products.

The two approaches manage risk differently. Additional inventory can provide an immediate buffer against supply interruption, while supplier diversification and scenario planning can help a business prepare for a wider range of future disruptions.

WHEN ADDITIONAL STOCK BECOMES A WARNING SIGN

Holding more stock appears in the survey as a deliberate response to disruption. Yet 22% of businesses also identify rising stock levels and slowing stock turnover as a financial red flag.

Additional stock can therefore represent either deliberate risk management or inefficient working capital. Without measuring stock turnover and carrying cost, it can be difficult to know when one has become the other.

PUTTING A NUMBER ON IT

The cost of carrying additional inventory extends well beyond its purchase price. Industry estimates commonly put annual inventory carrying costs at around 20% to 30% of inventory value, including the cost of capital tied up in stock, warehousing, insurance and systems, as well as the risk of damage, obsolescence and shrinkage.

For food and agribusinesses, perishability can add further cost through waste, spoilage and write-offs.

On that basis, a business holding an additional €500,000 of buffer stock could be carrying an annual cost of €100,000 to €150,000, before allowing for any additional losses from spoilage. With 47% of respondents having increased safety stock, understanding that ongoing cost is important when assessing whether additional inventory represents good risk management or working capital that could be put to better use elsewhere.

FORMAL RISK PLANNING REMAINS LIMITED

Only 11% of respondents introduced formal supplier risk monitoring, audits or scenario planning as a mitigation process to ensure supply. The response to disruption has been to buy more stock rather than build processes. Holding stock is expensive and can only protect a narrow set of inputs, usually against known risks. This approach can have limited impact and does not help businesses to anticipate new disruptions they have not yet seen.

Safety stock remains an important part of supply chain resilience, but it should sit alongside supplier diversification, risk monitoring and scenario planning rather than substitute for them.

A MEASURED, HYBRID APPROACH

Just-in-time has proven fragile in the new world businesses operate in. As outlined above, just-in-case is costly and eats into margin, especially with perishables. The right model for most businesses is a hybrid, just-in-time discipline for predictable, short-shelf-life lines and just-in-case buffers reserved for critical or hard-to-source inputs. Even Toyota, which invented just-in-time, now holds buffer stock for key components.

The starting point is measurement. Businesses need to understand where critical dependencies are, and what the cost is of carrying stock for these dependencies versus the financial impact of not having these inputs when required. That provides a much better basis for deciding where additional inventory is justified and where supplier diversification, risk monitoring and scenario planning will work. Stock for the sake of stock is a large cost to a business, not just in carrying cost, but in the lost opportunity to put capital to better use.

FOUR QUESTIONS TO ASK ABOUT YOUR STOCK

What is our true annual carrying cost?

Which inputs genuinely require a buffer?

Are we dependent on a single supplier?

Is slower-moving stock protecting the business or tying up cash?

To cost your working capital tied up in stock or assess risks in your business, contact the ifac Food and Agribusiness team, see the ifac Advisory Team page for details.

4 Management accounting



ANDREW BROLLY
Fractional CFO,
ifac

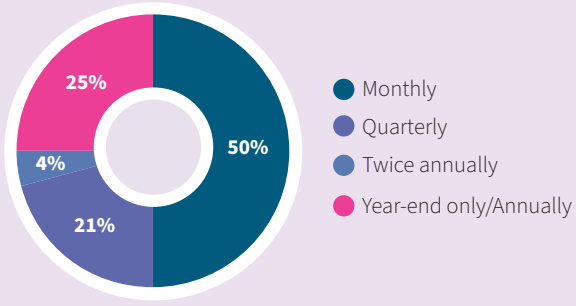
You cannot be ready for what you cannot see

Ask a business owner how business is going and they will usually have an answer. The more important question is whether the numbers support it. For many Irish food and agribusinesses, that visibility is still limited.

Half of respondents receive monthly management accounts, although their quality and depth will vary. More concerning is the 25% who only see formal numbers once a year. These businesses are looking in the rear-view mirror. They can see where they have been, but they have very little sense of what is coming.

Annual visibility is increasingly difficult to justify in 2026. In a year when costs have risen across the board and many Irish businesses grew their revenue while quietly losing margin, it is a real risk.

HOW OFTEN DO YOU RECEIVE FORMAL MANAGEMENT ACCOUNTS FOR YOUR BUSINESS?



WHAT POOR VISIBILITY COSTS

The trouble with poor visibility is that the problems stay hidden. Supplier pricing creeps up and never makes it into your own pricing. Debtor days stretch past sixty, then ninety. A product line, or a "deal" with a customer, is no longer profitable. None of these necessarily creates an immediate crisis, but over time they can materially erode margin.

A profitable business can still carry significant inefficiency. Roles may have evolved around the people available rather than the work that needs to be done; supplier terms may not have been challenged for years; stock management may receive less attention because the business is still making money.

WHY THE TIMING MATTERS

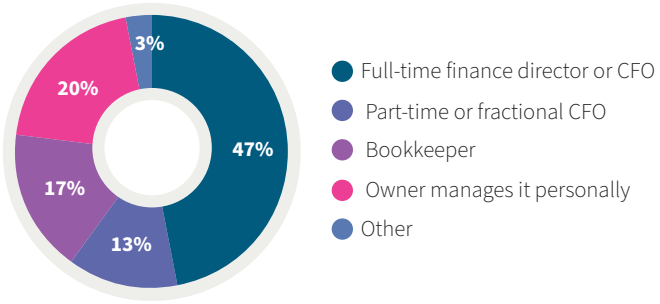
The biggest advantage of monthly reporting is that it gives management time to act. It allows you to see cost increases before they materially affect margin, identify customers drifting beyond agreed credit terms and address pricing while there is still scope to do so.

With the right systems in place, management accounts can show margin by product, service or customer, debtor and creditor days and a rolling cashflow forecast.

Management accounts are not a compliance exercise or a tidier version of your year-end file. They are a decision-making tool. Regular reporting gives management a better basis for pricing, cashflow decisions and commercial negotiations, rather than waiting until year-end to understand what has already happened.

WHO IS ACTUALLY RUNNING THE NUMBERS?

WHAT IS THE LEVEL OF FINANCIAL LEADERSHIP IN YOUR BUSINESS?



Frequency is only part of the picture. The other question is who has responsibility for interpreting the numbers. Just under half of respondents, 47%, now have a full-time finance director or CFO, which is a healthy sign and aligns with the half of respondents preparing monthly management accounts. One in five owners are still doing the finances personally and a further 17% rely on a bookkeeper. That means more than a third of respondents do not have a dedicated CFO or finance director.

In a smaller business the owner doing the books is often the most natural thing in the world and a good bookkeeper is worth their weight in gold. The limitation is that bookkeeping and financial leadership are not the same thing.

Management accounting is that second layer, the analysis, the trend-spotting, the "what is this actually telling us?"

> **"GOOD MANAGEMENT ACCOUNTS SHOULD HELP YOU MAKE A DECISION, NOT JUST RECORD WHAT HAS ALREADY HAPPENED."**

THE FRACTIONAL OPTION

For some businesses, a part-time or fractional CFO provides another option. Not every food or agribusiness needs, or can justify, a full-time finance director on the payroll. But many have reached a scale where it is no longer realistic for the owner to manage the finance function alongside everything else.

The fractional model gives businesses access to senior financial expertise without the cost of a full-time appointment. In practice that means proper monthly management accounts, cashflow and margin management and someone with a CFO's perspective asking the awkward questions.

A fractional CFO will often also lead practical improvements within the finance function, introducing a new accounts system, adopting tools for invoice scanning and bank reconciliation and establishing a regular monthly review process.

Key questions for your business

Businesses with regular financial reporting and someone responsible for interpreting it are better placed to identify problems early and act on them. Key questions worth asking include:

1. How often do you review your financial performance and is that frequent enough to support the decisions you need to make?
2. Is someone clearly responsible not just for producing the numbers, but for understanding them and acting on them?

If either question exposes a gap, it is worth addressing. Improving financial visibility or bringing in additional finance expertise is usually far less costly than allowing margin, cashflow or working-capital problems to develop unnoticed.

CASE STUDY

Fractional financial leadership in food & agribusiness

Lorraine Glynn joined *ifac's* Graduate Programme in 2018 after completing a Level 8 degree in Accounting. Based in our Athenry office, she qualified through ACCA before joining the Food and Agribusiness team as a Management Accountant, working with agrifood clients on budgeting, cashflow management and financial reporting. Below, Lorraine discusses her work with a food business where she works on a fractional basis, on site two days a week.



LORRAINE GLYNN
Management Accountant, *ifac*

Q. You're contracted two days a week on site. What does the role cover?

The starting point is making sure management has reliable financial information to run the business. I produce the monthly management accounts, maintain a rolling cashflow forecast and work with the owners on debtors, supplier payments and the financial decisions coming down the line. Being on site two days a week means I have a granular understanding of what is happening operationally and can connect that back to the numbers.

Q. How does your role impact the business?

The biggest difference is visibility. Each week we know what cash has come in, what is overdue, what has to be paid and what the position is likely to look like over the weeks ahead. That changes the conversation from *"Can we afford this?"* to *"We can afford this now"* or *"We should wait before we buy"*. We can plan supplier payments, follow up with debtors earlier and identify potential cash pressures before they becomes a problem. The monthly accounts then give us the wider picture of how the business is performing against expectations.

Q. Where do you see the biggest opportunity to add value?

The next priority is product-level margin analysis. This is a common blind spot in growing food businesses.

Overall sales revenue can be increasing while the margin on individual products is being squeezed.

Ingredient, packaging and distribution costs all move over time. If those changes are not reflected in product costing, a high-volume product can look successful while contributing very little profit. We want to get to the point where management can see which products and customers are generating margin and use that information in pricing, production and customer discussions.

Stock accuracy is part of that. If the closing stock figure is wrong, the monthly profit figure is wrong too.

Q. What should a fractional finance role ultimately allow a growing business to do?

It should give the owner better information without requiring the business to employ a full-time CFO or financial controller before it is ready for one.

The objective is to produce accounts and to give management a regular view of cash, margin and performance and then use that information to make better decisions. As the finance function develops, more of the transactional work should sit with an accounts assistant, allowing the fractional role to spend more time on forecasting, margin improvement, working capital and supporting the owners on the decisions that affect where the business goes next.

To review your management accounts, put monthly reporting in place or discuss fractional CFO support, contact the ifac Food and Agribusiness team, see the ifac Advisory Team page for details.

5 Food and drink



MAURA O'CALLAGHAN
Ifac Food and Agribusiness Director

Success on today's retail shelf requires more than a great product

Consumer behaviour is shifting as GLP-1 medications influence purchasing and consumption patterns, while AI is transforming how categories are analysed and managed.

Maura O'Callaghan, *ifac* Food and Agribusiness Director, takes a closer look at two of the many forces reshaping the local and international retail shelves and markets, Glucagon-Like Peptide-1 (GLP-1) and Artificial Intelligence (AI) and shares some practical strategies for food and drink SME's.

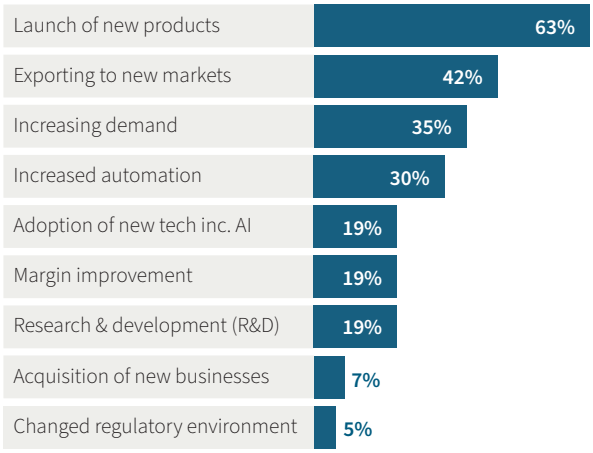


NEW PRODUCT DEVELOPMENT

New Product Development is central to how Irish food and drink businesses are responding to changing markets. 63% name launching new products as a key growth opportunity over the next 12 months, ahead of exporting to new markets at 42%.

NPD is also being used to protect margins. 61% of food businesses are using product development, including reformulation, new formats and other product changes, to manage rising costs rather than relying solely on price increases.

LAUNCHING NEW PRODUCTS IS THE TOP GROWTH OPPORTUNITY IN FOOD BUSINESSES

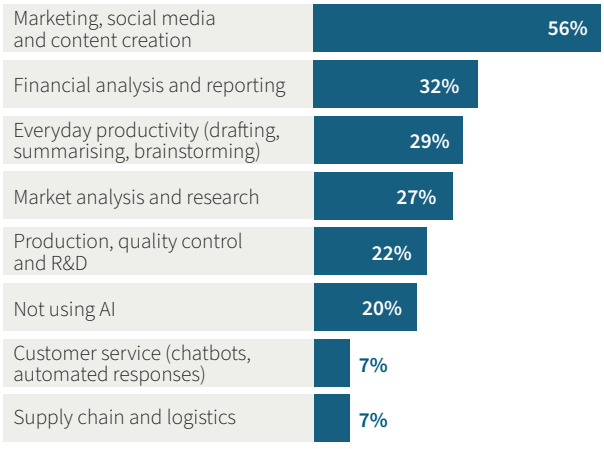


As the NPD landscape continues to evolve, Irish food and drink companies will need to continue looking for category development opportunities in response to changing consumer demands, both within the island of Ireland and for our export markets.

ARTIFICIAL INTELLIGENCE

The use of Artificial Intelligence by our food manufacturing respondents highlights that marketing, social media and content creation at 56% is the clear front runner of AI usage, followed by 32% using AI to support financial analysis and reporting functions. 29% of respondents are using it for everyday productivity, 27% in market analysis and research and 22% in the R&D process. This suggests that AI integration still has a way to go within the sector.

AI APPLICATION IN FOOD BUSINESSES ONLY



UNDERSTAND THE MACRO TRENDS IN FOOD MANUFACTURING

The role of Glucagon-Like Peptide-1 In New Product Development

GLP-1 medications such as Ozempic, Rybelsus, Wegovy and Mounjaro work by mimicking glucagon-like peptide-1, a hormone released in the gut after eating that slows digestion and signals fullness to the brain. They are accelerating major changes across the food and drinks sector globally, creating demand for nutrient dense products. The consumer is seeking products that deliver essential nutrients in smaller portions. 11% of United States adults are estimated to be taking GLP-1 medication for weight loss purposes. One in ten UK adults are estimated to be taking, or are considering taking, a GLP-1 medication, with a similar trend emerging in Irish adults. If the Irish shopper patterns follow the US, this is going to cause a shift in the Irish retail shelf and export markets. Just how big this shift is going to be is yet to be determined.

Source: National Library of Medicine, National centre for Biotechnology Information, Prevalence of use and interest in using glucagon-like peptide-1, 2026

PRACTICAL TOOLS TO UNLOCK THE OPPORTUNITY

Many Irish SMEs can use this to play to their strengths. GLP-1 medication is amplifying consumer trends such as high protein, gut friendly, functional ingredients and clean labels.

- Research the NPD opportunity and understand the potential implications of GLP-1 on the category or categories that you trade in.
- Understand if there is an opportunity to introduce smaller portions or different pack formats for the shopper who no longer wants large formats but does not want to stop buying the product.
- Understand whether there is an opportunity for a call to action on your packaging that outlines the key functional benefits of your products.
- Analyse how larger multinationals are behaving in your category. Is there an opportunity for you to capture more share of shelf, as they potentially reposition their focus and budget on alternative categories and strategies?

Artificial Intelligence in Category Development & Management

Category work has always been dominated by pulling data, matching product codes, harmonising retailer hierarchies, store visits and calculating return on shelf space. For any SME food producer preparing for growth or trying to improve efficiency, AI allows for a leaner commercial SME team to operate and behave like a larger team. Many SMEs do not have the luxury of sharing resources across multiple brands and categories. AI's best contribution can be to automate the groundwork in your category management. While larger food companies can push ahead with sophisticated AI tools and strong data purchasing and analytical ability, it is key that SMEs develop practical AI tools that save time and allow them to become valuable relationship partners to their retail and food service customers.

PRACTICAL TOOLS TO UNLOCK THE OPPORTUNITY

- Get your data in order. Pull any EPOS, volume, value, promotional pricing, rate of sale data into one place. Use an existing AI tool to design the format easiest for you and keep it clean and consolidated. This can be updated on a daily/ weekly basis for reporting.
- Use an AI tool for competitor analysis to scan pricing, launches, promotions in store and with competitor products. Reduce the time involved in researching on individual websites.
- Photograph the category in store and analyse it with an AI tool, your number of facings versus competitors, share of shelf and shelf positioning. Pair it with your sales data to build your range review case.

CASE STUDY

Boylans

Boylans Fruit is a family-owned frozen fruit business based in Johnstown Bridge, Co. Kildare. Founded in 1989 by John Boylan, the company has spent over 35 years supplying Irish and international markets and now packs its full range from a 10,000 sq. ft facility certified to BRC Grade A+. Boylans Fruit supplies both retail and food service, under its own brand and as private label. The business exports into the UAE and has built strong relationships with growers both in Ireland and internationally to source fruit through the growing season.

John Boylan, owner of Boylans Fruit, explains how he has diversified the business's reliance on one category:

"We started exploring how we could change and move away from relying on one product category. Our own NPD team spent the last year developing the recipe and what we found was that consumers wanted convenience, but they also wanted an experience, not just something quick. That's what led to the Bake Easy range: Bake Easy Apple Crumble and Bake Easy Rhubarb Crumble. It launched into Aldi this year through the Grow with Aldi programme and we've another major retailer listing later this year. Working with ifac to bring this product to market has been of real value, from the account management side right through to getting the listing over the line. Diversifying our product range has opened doors with new customers and grown the visibility of the Boylans brand with consumers too."



To commission a category review, benchmark your margins or plan a diversification move, contact the ifac Food and Agribusiness team, see the ifac Advisory Team page for details.

Managing food price increases when you rely heavily on one customer



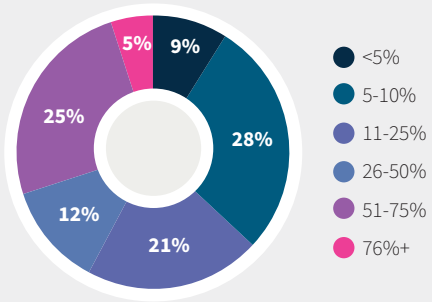
STEPHANIE WALSH
Food Business Consultant, *ifac*

Food businesses are once again watching costs rise faster than they can pass them on. Input costs went up for 88% of food businesses this year, while only 49% raised prices in the same period. Part of the reason is customer concentration. Many food businesses rely heavily on a single customer for their revenue and that dependence can make price negotiations more difficult.

WHO HOLDS THE LEVERAGE

Three in ten food businesses report more than half their revenue comes from a single customer. If one buyer is half your revenue, they hold most of the leverage.

WHAT PERCENTAGE OF REVENUE COMES FROM YOUR SINGLE LARGEST CUSTOMER – FOOD BUSINESSES ONLY



30% OF FOOD BUSINESSES REPORT OVER HALF THEIR REVENUE FROM A SINGLE CUSTOMER."

THREE WAYS TO REDUCE CUSTOMER CONCENTRATION AND PROTECT MARGIN

1. Commission a commercial category review

A category review shows you the margin each product is making, not just at range level but line by line. Does the product still earn its place in the range and for the customer? Could a new product create additional value rather than relying solely on a price increase?

The review also shows where you sit within the category: your rate of sale against competitors, your price position and the margin the customer is making on your line. That evidence makes the pricing conversation more specific and can identify opportunities to improve profitability within the account, even before anything changes in the wider customer base.

2. Diversify your customer base

Customer concentration is a risk for any business and reducing it means looking beyond individual customers to the channels the business supplies. Could the same product move into food service with a simple packaging change? Has export been explored, or just assumed to be too big a step?

A strong account can make diversification feel less urgent when business is good. However, that is the best time to start developing alternatives, rather than waiting until the relationship comes under pressure. Business-to-business supply may offer another route, while adding a new category can create opportunities with customers the business does not currently serve.

3. Know your numbers before you negotiate

The survey also points to something businesses can control: how often they review their own financial performance.

OF FOOD BUSINESSES THAT REVIEW FORMAL MANAGEMENT ACCOUNTS EVERY MONTH, 62% RAISED PRICES THIS YEAR. AMONG THOSE REVIEWING ACCOUNTS QUARTERLY OR LESS OFTEN, ONLY 35% DID."

Businesses reviewing their numbers monthly are more likely to go into a price negotiation with up-to-date information on their cost per unit, rather than relying on figures that may be months out of date. That gives the business stronger evidence to support the case for a price increase. That preparation matters particularly where one customer accounts for a large share of revenue and the business has limited leverage in the negotiation.

6 Artificial Intelligence (AI)



AMY WARD WHELAN
Food and Agribusiness Director, *ifac*

Who owns AI in your business?

Four out of five food and agribusinesses are now using AI somewhere in their operation, yet 48% have nothing in place to govern it and only 11% have anybody responsible for it. Adoption has moved much faster than management oversight.



Three years ago, this Report asked whether businesses were even aware of AI. At the time, 21% said they were using it. This year that figure is 80%. The question now is whether businesses are managing its use effectively.

48% of respondents have nothing in place to support how their employees use AI. Almost nine in ten businesses (89%) do not have a designated person or team responsible for AI in the business and only 22% have a formal AI use policy.

> **80% ARE USING AI**
> **48% HAVE NOTHING IN PLACE TO SUPPORT IT"**

WHERE AI IS BEING USED

PRIMARY APPLICATIONS OF AI

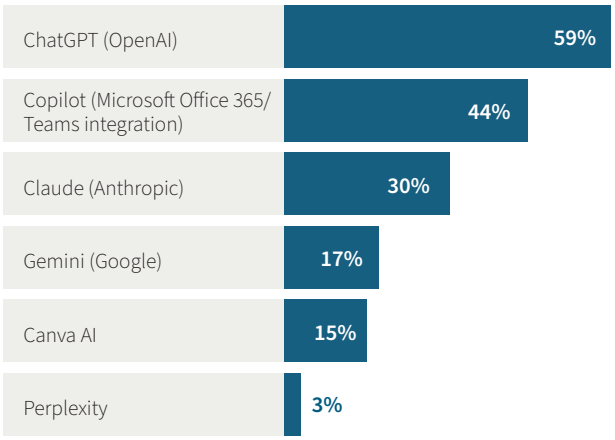


Marketing, social media and content creation lead usage at 56%, followed by everyday productivity at 43%, market analysis and research at 39% and financial analysis and reporting at 33%.

Some of these uses involve sensitive or commercially important information. A third of respondents are using AI for sensitive tasks such as financial analysis and reporting, yet almost half of respondents have no rules covering which tools may be used, what data may be entered or how outputs should be checked.

BUSINESSES ARE USING MORE AI PLATFORMS

AI PLATFORMS IN USE



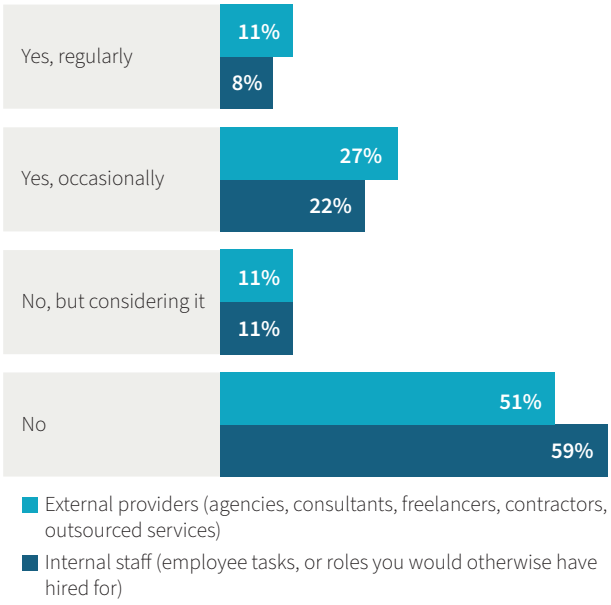
Last year the sector had a default, with ChatGPT at 67%. It is now 59%, while Copilot has climbed from 30% to 44%, helped by sitting inside Microsoft 365.

The growing number of platforms has a practical implication for AI policies. Avoid writing a policy around individual products, as the tools employees use will continue to change. Instead, set rules around the data such as what information can be entered into AI tools, what is off limits and what outputs require human review.

AI IS CHANGING HOW WORK GETS DONE

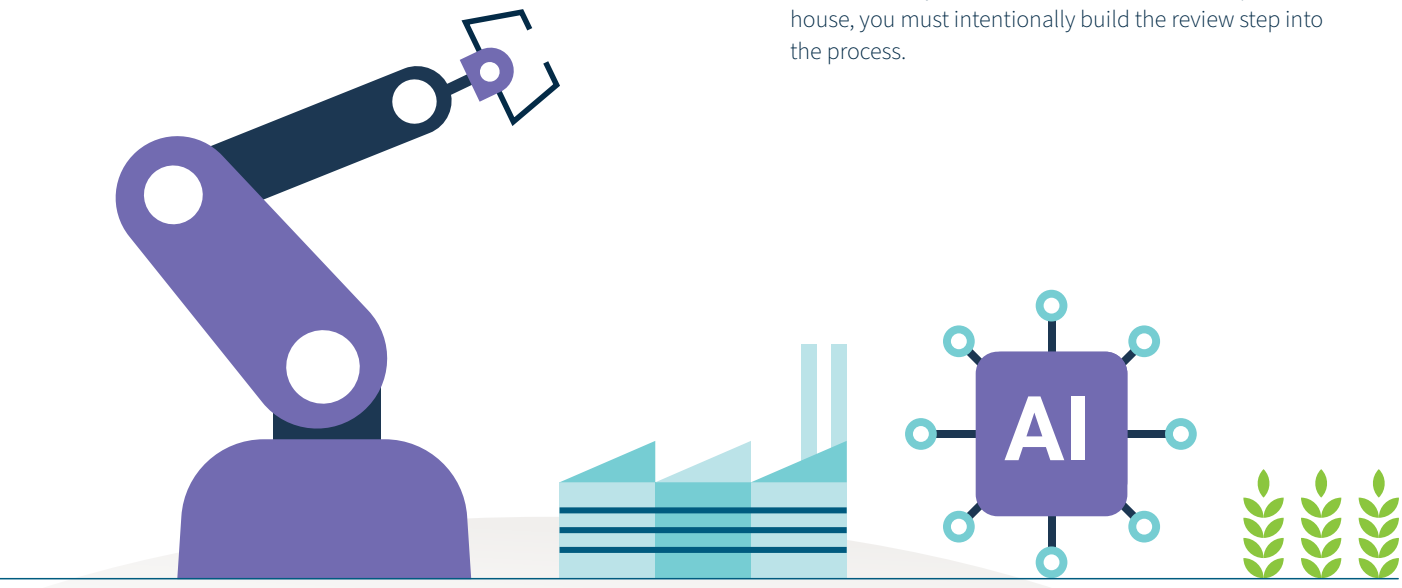
45% of respondents have used AI in the last twelve months to do work they previously paid people to do. 38% have displaced external providers such as agencies, consultants, freelancers and contractors. 30% have displaced internal work, including roles they would otherwise have hired for.

HOW REGULARLY IS AI DISPLACING EXTERNAL OR INTERNAL WORK?



Where AI is now performing work that was previously outsourced or carried out internally, businesses need to consider the operational dependency they are creating. That dependency should form part of the business's wider risk management.

Additionally, when you stop using an agency or contractor, you also stop paying for the review step. Designers check artwork against the brand guidelines. Consultants check data and figures before they reach the board. Copywriters know what can and cannot be claimed on a label. All of that was bundled into the fee. If you move work from an external provider in-house, you must intentionally build the review step into the process.



WHAT IS AT RISK

Commercially sensitive information: Pricing, tender documents, supplier contracts, customer lists, recipes and formulations should not be entered into AI tools without understanding how that information will be handled.

Personal data: Employee or customer information going into a tool with no data processing agreement behind it creates a General Data Protection Regulation (GDPR) exposure for the business.

Confident wrong answers: These tools produce fluent, plausible and sometimes incorrect output. An incorrect figure or claim in a grant application, board pack or costing can have financial and reputational consequences.

Supplier audits: Larger customers have started to ask about AI use in supplier questionnaires. If you export, or supply a large retailer, expect the question and expect to need a written answer.

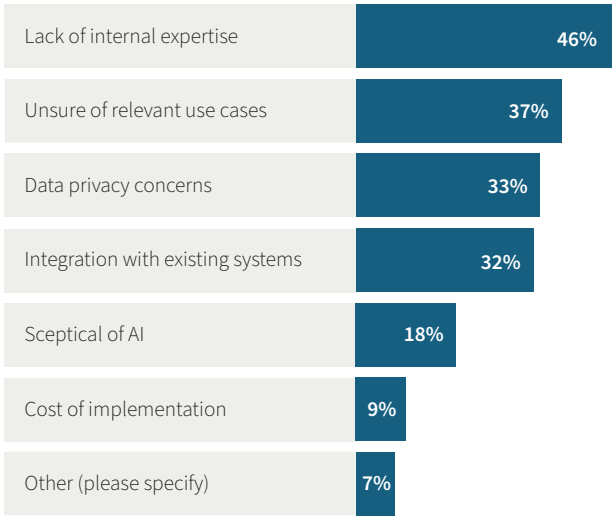
Regulation: The EU AI Act places obligations on businesses that deploy AI as well as on those building it, including a requirement on AI literacy among staff.

WHAT IS HOLDING BUSINESSES BACK

Lack of internal expertise, at 46%, and uncertainty about the relevant use cases, at 37%, are the two leading barriers. Data privacy and integration with existing systems follow at 33% and 32%. Cost of implementation sits near the bottom of the list at 9%.

Cost of implementation ranks well below expertise, use cases, privacy and integration as a barrier. The immediate challenge for most businesses is therefore less about budget and more about deciding where AI should be used, who is responsible for it and what controls are needed.

BIGGEST BARRIERS TO ADOPTING AI IN THE BUSINESS



FIVE THINGS TO PUT IN PLACE

For businesses already using AI, five practical steps will strengthen oversight.

1. **Name someone:** Give one person responsibility. In a smaller business that is usually the operations manager or the financial controller. The role is to understand what staff are using, keep track of developments and provide a clear point of responsibility.
2. **Keep the policy to one page:** Approved tools, what must never go into them, what needs human review before it leaves the business and who to ask. A single page has a far better chance of being read.
3. **Draw the data line clearly:** Be specific about what is off limits, including customer and employee personal data, pricing and tender information, unpublished financials, formulations and product intellectual property and anything covered by a non-disclosure agreement. Where AI would help with that kind of work, pay for a business-tier account where your data is not used for training and carry out a risk assessment before uploading any information. Be very wary of using free versions of any AI tool, especially where data is being uploaded.
4. **Verify all outputs:** A person checks anything with a number in it, any claim about a product, anything going on a label or pack and anything going to a customer, a bank or a regulator.
5. **Train the people using it:** Only 24% of businesses have provided any training at all. That suggests much of the learning to date has happened informally. Show the team what good use looks like and where the limits are.

FASTER THAN ANYTHING WE HAVE TRACKED

AI adoption has moved faster than any other technology trend tracked by this Report over the past nine years. Governance has not developed at the same pace. Businesses should continue to use AI where it creates value. However, as a business leader you also need to recognise that AI has to be managed with the same discipline applied to other important business systems and processes.

For support in developing an AI policy, practical guidelines or training for your team, contact the ifac Food and Agribusiness team, see the ifac Advisory Team page for details.

7 Reputation and visibility



AVRIL COLLINS
Marketing and Communications Consultant, *ifac*

What gets said about you when you're not there

How customers find and assess food and agribusinesses is changing. AI tools are increasingly influencing which suppliers make a buyer's shortlist, while online criticism can put a business under scrutiny within hours. Both require management attention before an issue arises.



IS YOUR BUSINESS VISIBLE IN AI SEARCH?

Why AI search is becoming a new front door to your business

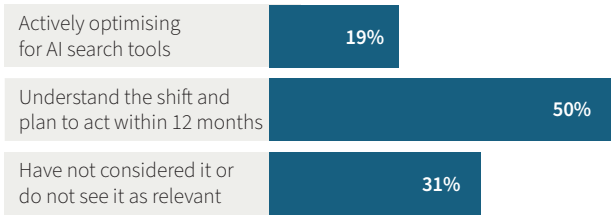
AI search tools are changing the way customers find suppliers. Half the businesses in our survey understand the shift and plan to act within 12 months, while only 19% are preparing now.

Increasingly, a potential customer may ask an AI tool to identify suitable suppliers rather than work through a page of search results. If your business is not included in that answer, you may never know the opportunity existed.

HOW AI SEARCH IS DIFFERENT

For two decades, being found online meant ranking on Google. AI search works differently. The customer asks a full question, such as which Irish suppliers hold a particular accreditation and receives an answer that names a small number of companies. Survey findings suggest that while many respondents are aware of the shift, the vast majority are yet to take any action on it.

HOW IS YOUR BUSINESS RESPONDING TO AI SEARCH?



WHY THIS MATTERS COMMERCIALLY

Traditional search gave customers a list of options to explore. AI search can narrow that list considerably, without the customer scrolling, visiting websites or making their own comparison.

That makes your visibility harder to judge. Answers are more dynamic than a page of search results, so asking the same question twice can produce a different set of companies. A search term is also easy to repeat, while a prompt sits inside a conversation you cannot see. By the time a buyer is asking which suppliers to consider, they may have spent ten minutes narrowing the question and you have no way of knowing what they told the tool before your name came up, or did not.

It is a mistake to assume this only affects consumer brands. Buyers and technical staff at food manufacturers and retailers use these tools, as do wholesalers and distributors building supplier lists, farmers and contractors comparing machinery options and consumers looking for a local producer.

> **"TRADITIONAL SEARCH SHOWED CUSTOMERS THE OPTIONS. AI INCREASINGLY GIVES THEM THE ANSWER."**

This practice now has a name, Generative Engine Optimisation, or GEO. Where SEO was about ranking in a list of links, GEO is about becoming one of the small number of sources an AI tool draws on to construct its answer. The two are related but not identical, with GEO putting more weight on being independently referenced and accurately described elsewhere.

WHAT HELPS YOUR BUSINESS GET FOUND

A clear and accurate website remains important, but it is only one source of information about your business. Independent references can strengthen your visibility and credibility, for example, named customers, certifications, trade publications, industry awards and association listings.

Many Irish food and agribusinesses have built their reputation through relationships rather than promotion, years supplying the same customer, trust with a co-op, or deep expertise in a particular category. Those strengths may be well understood within the sector without being visible online.

With 50% of respondents planning to act within the next 12 months and 19% already doing so, this is likely to become a more competitive area.

One reason businesses delay is that managing this process involves a number of functions across the business. While marketing should have overall responsibility, other departments hold the information and evidence needed. They also know the questions customers actually ask them, which is a good guide to the prompts a buyer might use. In a smaller business with no marketing function, this can easily fall through the cracks. Where new work sits, and who carries it, is a question owners now face repeatedly. The businesses that answer it quickly tend to be the ones that got ahead of the last change too.

It is worth asking one question at your next management meeting. If a customer asked an AI tool tomorrow to recommend a supplier like you, would your business appear?

GETTING STARTED

1. **Run the test.** Ask the AI tools your customers are most likely to use, such as ChatGPT, Claude, Copilot, Gemini and Google AI Overviews. Ask what your customers would ask, for example "Which Irish companies supply [your product]?". Ask more than once, in more than one way, and on more than one tool because the answers vary between conversations and between platforms. Note whether you are named and whether what is said about you is accurate.

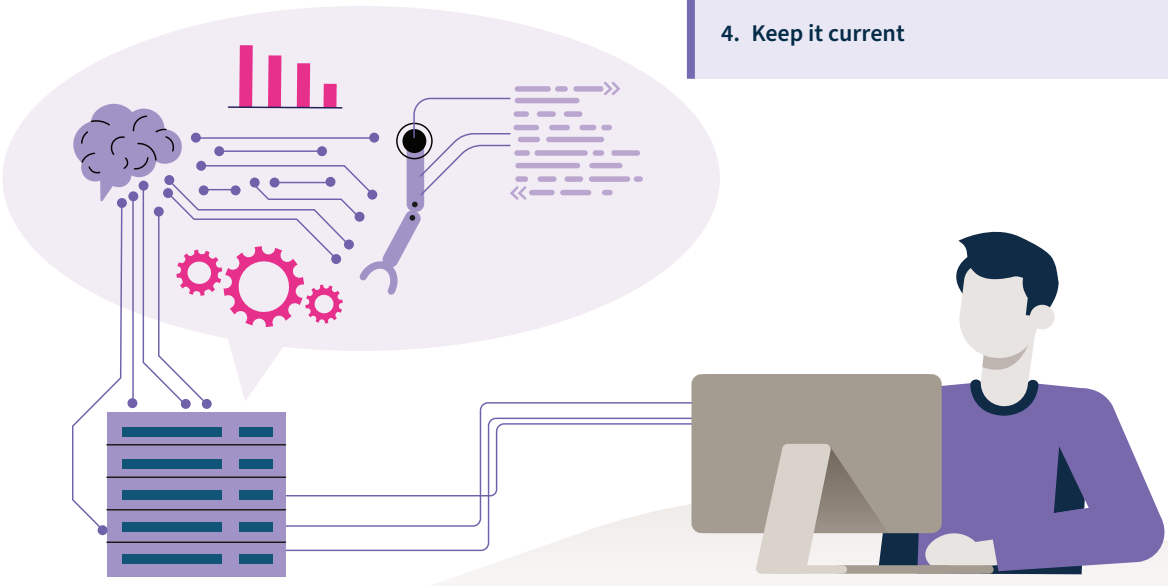
2. **Agree a plan with actions, owners and deadlines.** Marketing should have ultimate responsibility, but the evidence sits across the business, so each action needs a named owner and a deadline. Start by asking technical, sales and customer service what questions customers put to them.

3. **Build the evidence.** These tools can only draw on what is published about you, so having the information available increases your chances of mentions. That means a clear website stating what you supply, to what specification, for whom and at what scale; named accreditations rather than a general claim to quality; case studies naming an application, a customer and an outcome; independent coverage such as trade media, industry awards and speaking at sector events; and accurate, consistent listings in directories and association pages.

4. **Keep it current.** Re-run the test every three months. Note whether you are named more often than last time and whether the description of you is still accurate. Update your website, listings and accreditations whenever something changes in the business, and re-test after any significant change.

FOUR THINGS TO DO NOW

1. **Run the test**
2. **Agree a plan**
3. **Build the evidence**
4. **Keep it current**



The plan you need before you need it

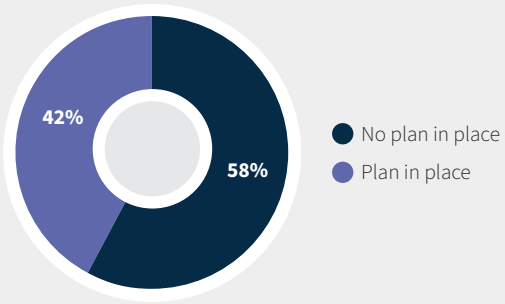
Food businesses invest heavily in managing operational and financial risks, yet reputational risk is often much less formally managed.



JANE WALKER
Food and Agribusiness Executive, *ifac*

The businesses we work with hold Hazard Analysis and Critical Control Point (HACCP) documentation, pass unannounced audits, manage foreign exchange exposure, insure their assets and, increasingly, assess their cyber risk. These risks are routinely assigned responsibility, budget and regular review. Reputational risk is often managed less formally, despite the potential commercial consequences, with 58% of the businesses in our survey having no crisis communications plan in place.

DOES YOUR BUSINESS HAVE A CRISIS COMMUNICATIONS PLAN?



YOU DO NOT HAVE TO BE IN THE WRONG

A reputational issue does not necessarily begin with the business doing anything wrong. A customer may post a photograph of a product online and draw the wrong conclusion. An influencer may question a health claim, an ingredient or whether a product represents value for money. A story may begin circulating before the business has had an opportunity to establish the facts.

Even where the business has done nothing wrong, the commercial impact can be significant. Staff may see the comments before management does, while customers or buyers may quickly ask the business for its position.

> **IN FOOD, WHERE TRUST AND TRACEABILITY MATTER ENORMOUSLY, KEY CUSTOMERS MAY NEED REASSURANCE QUICKLY."**

WHO HAS AUTHORITY TO RESPOND?

One of the most important decisions to make in advance is who has authority to speak publicly for the business. Give that person enough authority to act and make sure the wider management team is aware of the arrangement for crisis communication situations.

Then put the basics in place:

- **Plan for a range of reputational issues that could possibly damage your business.** As a team, work through the situations, such as a product recall, a contamination scare or online negativity and develop a possible response. Consider external PR advice. Put the crisis comms folder of responses in the bottom drawer, revisit it annually and hope you never have to use it!
- **Agree who needs to hear from you first**. Staff should hear directly from the business. Key customers should not be finding out through social media, the press or a competitor.
- **Check your contact list**. Make sure you have up-to-date mobile numbers and out-of-hours details for anyone who may need to be contacted quickly.
- **Review your public claims**. Make sure claims on packaging, your website and in marketing materials can be supported if challenged at short notice.

A crisis communications plan cannot prevent an issue from arising, but it can avoid valuable time being lost deciding who should respond, who needs to be contacted and what the business can say. Planning those decisions in advance gives management a much better chance of responding quickly and consistently if an issue arises.

Ifac works with food and agribusinesses on commercial visibility, customer research, reputation planning and business transformation. We help owners and boards to test their assumptions and decide with confidence. To discuss anything in this chapter, contact the ifac Food and Agribusiness team, see the ifac Advisory Team page for details.

REPUTATION: THREE THINGS TO HAVE READY

1. **Agree who has authority to respond**
2. **Keep key contact details up-to-date**
3. **Make sure your public claims can be supported**

8 People and culture



MARY McDONAGH
Head of HR and Payroll Services, *ifac*

Recruitment plans are holding steady, with nine in ten businesses keeping or growing headcount. Cost is this year's main pressure point, rising employment costs and salary expectations top the list of challenges, with employment permit thresholds and new retirement legislation adding further pressure.



RECRUITMENT PLANS

Nine in ten are maintaining or growing their workforce with 38% of agrifood businesses planning to employ more people over the next 12 months.

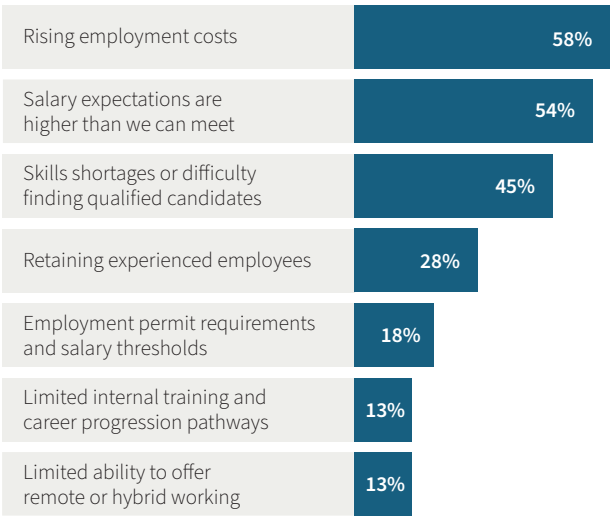
EMPLOYMENT PLANS OVER THE NEXT 12 MONTHS



At the same time, 62% do not expect to increase headcount. For those businesses, growth will depend more heavily on getting greater capacity from the existing workforce, alongside technology and other productivity improvements. That puts greater emphasis on retention, training and how work is organised.

> **SIX IN TEN BUSINESSES ARE NOT ADDING PEOPLE. PRODUCTIVITY WILL MATTER MORE."**

CHALLENGES BUSINESSES ARE FACING ATTRACTING AND RETAINING EMPLOYEES



THE COST OF EMPLOYMENT

Rising employment costs are the most cited challenge at 58%, followed by salary expectations at 54%.

Salary expectations remain a significant challenge, although fewer businesses cite them this year than in 2025. Skills shortages have not eased in the same way, cited by 45% as a real challenge. Only 13% identify limited remote or hybrid working as a recruitment and retention challenge, reflecting the predominantly on-site nature of food and agribusiness operations.

For certain roles much of this increase in costs is set by legislation rather than negotiated with employees.

- The national minimum wage rose 4.8% to €14.15 per hour from 1 January 2026, with the Government committed to a national living wage set at 60% of median earnings, targeted for 2029.
- Auto-enrolment (My Future Fund) commenced on 1 January 2026, with an employer contribution starting at 1.5% of gross pay and rising in stages to 6% over the following decade.
- Employer Pay Related Social Insurance (PRSI) increases by a further 0.15 percentage points from 1 October 2026, following the 0.1 point increase in October 2025.

MANAGING EMPLOYMENT COSTS

For a business with 25 employees on an average salary of €40,000, auto-enrolment and the October PRSI change together add between 1.2% and 1.7% to payroll cost, depending on how many employees are already in a qualifying pension scheme. Auto-enrolment contributions rise in stages from 1.5% to 6%, so that element alone will quadruple over the next decade on the same payroll.

Practical steps to take now:

1. **Model three years, not one**. Build the scheduled minimum wage, PRSI and auto-enrolment increases into a single three-year view of payroll cost and bring that figure into customer pricing discussions rather than absorbing each increase as it arises.
2. **Check the employer PRSI threshold**. The lower rate applies only up to €552 per week. A single hour of weekly overtime can add over €640 a year in employer PRSI. Review rosters and overtime patterns against this threshold.
3. **Decide on your pension approach**. Auto-enrolment is calculated on total pay, including overtime and bonuses, and gives no tax relief on employee contributions. An occupational scheme or PRSA meeting the minimum standard (combined contributions of at least 3.5% of gross pay or €2,800 a year, whichever is lower) is usually based on basic pay only, exempts staff from auto-enrolment, and restores that tax relief. Many businesses use a mix of both.
4. **Use cost-efficient reward**. The Small Benefit Exemption allows up to €1,500 per year tax-free across up to five separate benefits until the end of 2029, though the benefits must be non-cash, such as vouchers, rather than cash payments. Employers can also offer non-pay benefits such as extra annual leave, early Friday finishes during quieter months, or flexible start times where possible.

EMPLOYMENT PERMITS

From 1 March 2026, the minimum salary threshold for a General Employment Permit increased from €34,000 to €36,605. Under the Government's Employment Permits Remuneration Roadmap, salary thresholds will continue to be reviewed annually.

Half of businesses surveyed (49%) agree or strongly agree that annual threshold increases will make recruitment and retention more difficult. Excluding the 19% for whom permits are not relevant, agreement rises to 60%. Only 6% disagree.

Concern about future threshold increases is considerably higher than the proportion currently identifying permit requirements as a recruitment challenge, at 18%. One possible concern is that higher permit thresholds may also influence wider salary expectations, not only the pay of permit holders.

Key points for employers:

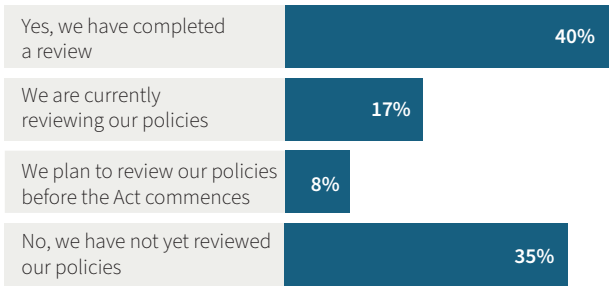
1. **Renewals carry the cost**. An existing permit holder on €34,000 must be brought to €36,605 in order to renew. Budget for renewals at current thresholds, not at the salary originally agreed.
2. **Sector thresholds are closing**. For meat processors and horticultural workers, the minimum rose from €30,000 to €32,691 and these lower thresholds will be phased out entirely by 2030.
3. **Check working hours**. Thresholds are based on a 39-hour week. Where employees work more than 39 hours, each additional hour must be paid at a minimum of €18.05.
4. **Graduate thresholds have returned**. Lower thresholds now apply to recent graduates, offering a more accessible entry route for early career hires.
5. **Plan the full timeline**. The role must first be advertised for 28 days under the Labour Market Needs Test and the application must then reach the Department of Enterprise, Tourism and Employment (DETE) at least 12 weeks before the intended start date. Visa-required nationals then need a visa application and, on arrival, an Irish Residence Permit. From decision to first day is commonly four to six months, so check DETE's current processing dates before committing to a start date.



RETIREMENT AGES

The Employment (Contractual Retirement Ages) Act 2025 commenced on 29 June 2026, together with an updated Workplace Relations Commission (WRC) Code of Practice on Longer Working. Over half of businesses surveyed (57%) have completed or are undertaking a review, while 35% have not yet reviewed their policies.

HAS YOUR BUSINESS REVIEWED ITS RETIREMENT POLICIES IN PREPARATION FOR THE EMPLOYMENT (CONTRACTUAL RETIREMENT AGES) ACT 2025?



Key features of the Act:

- Where a contractual retirement age is below the State pension age of 66, an employee may notify the employer in writing that they do not consent to retire.
- The employer must issue a reasoned written reply within one month, either objectively justifying the retirement age or allowing the employee to continue.
- Employees aged 66 and over are covered by a separate request procedure under the Code of Practice.
- Employees may bring a claim to the WRC and the Act creates an offence for which both companies and individuals can be prosecuted.

The 35% who have not reviewed their policies should prioritise this. Those that have should note that a review completed before June 2026 predates the final Code of Practice and its two-track approach and is worth revisiting.

There is an opportunity here as well as an obligation. With 45% of businesses reporting skills shortages or difficulty finding qualified candidates and 28% struggling to retain experienced employees, an employee who wishes to continue working past their contractual retirement age represents valuable retained knowledge. Phased hours and a structured handover can also support succession planning and knowledge transfer.

BUILDING SKILLS FROM WITHIN

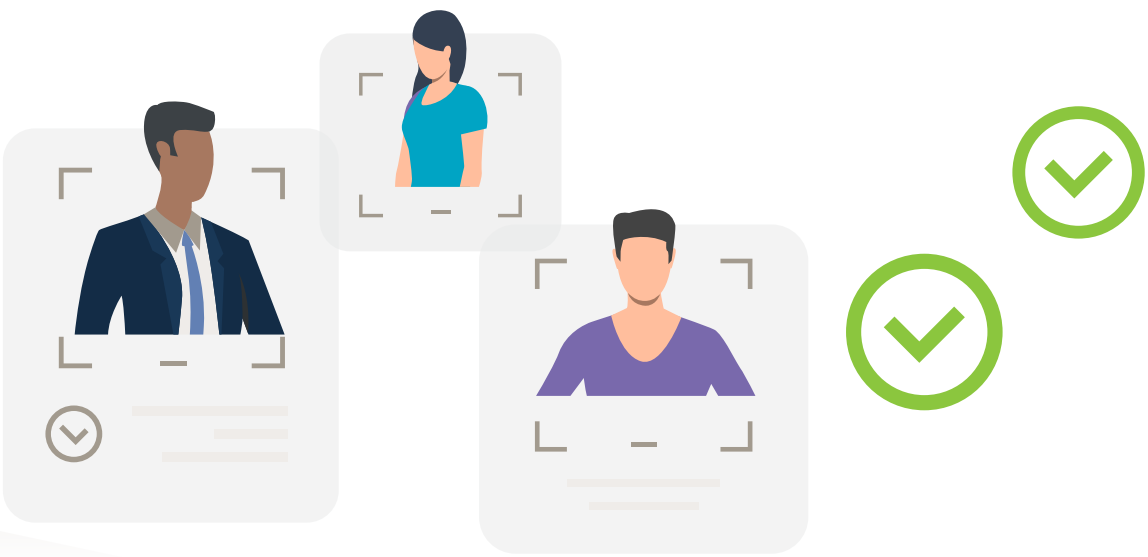
While 45% of businesses report skills shortages or difficulty finding qualified candidates and 54% cannot meet salary expectations, only 13% identify limited internal training and career progression as a challenge. For businesses struggling to recruit particular skills at an affordable cost, developing existing employees deserves more attention.

Businesses often focus on the cost of recruiting externally, but the economics of developing an existing employee are worth considering too. Identify the three roles that are hardest to fill, map which employees are 12 to 18 months away from each and fund a structured development plan. For example, developing a general operative into a shift supervisor may be more cost-effective than competing for an experienced supervisor externally, while also creating a visible progression route for other employees.

PEOPLE: FIVE ACTIONS

1. **Model your employment costs three years ahead**
2. **Review your pension approach**
3. **Plan employment permit renewals early**
4. **Update your retirement policies**
5. **Build a pipeline for hard-to-fill roles**

For guidance on employment costs, employment permits, retirement policies, pay benchmarking and payroll, contact the ifac Food and Agribusiness team, see the ifac Advisory Team page for details.



9 Exporting



ANDREW BROLLY
Fractional CFO,
ifac

Getting in front of customers is the hard part

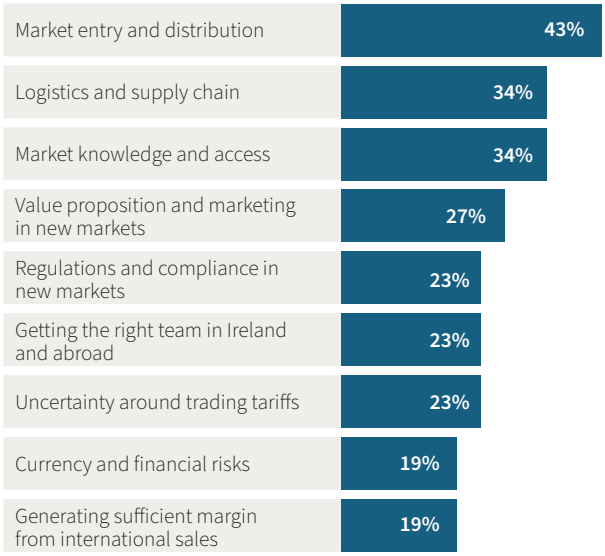
Twelve months ago, tariff uncertainty dominated the export conversation for many Irish food and agribusinesses. This year, concern about tariffs has fallen from 38% to 23%, while 19% cited margin pressure on international sales. Some of that reflects a calmer trading environment, but businesses have also adapted. What has not changed is the difficulty of getting into a market in the first place.

With tariff concerns less prominent, the main barrier is the same as it was twelve months ago. 43% of Irish food and agribusinesses say market entry and distribution are the key barriers to export, broadly unchanged on 2025. Behind it, over a third say they lack market knowledge and access, and the same proportion struggle with logistics and supply chain.

The survey suggests that the more persistent barriers are operational and commercial. For many businesses the challenge is capability, i.e. identifying the right route to market, finding a buyer or distributor, moving the product efficiently and pricing it at a sustainable margin.



BIGGEST CHALLENGES TO SALES OUTSIDE THE REPUBLIC OF IRELAND



WHAT DOES MARKET ENTRY COST?

Most of the costs of entering a new market arise before the first sale is made.

Costs to plan for:

- Route to customer: identifying potential distributors, carrying out due diligence and assessing whether they can build your business in the market.
- Physical: freight, storage, distribution, returns, spoiled product, quality assurance in transit.
- Compliance: labelling, registrations, and market-specific rules.
- Marketing: the spend required to make an Irish offering stand out.

In the survey, 34% cite logistics and supply chain as the biggest challenges, while 27% identify their value proposition and marketing in new markets as a barrier.

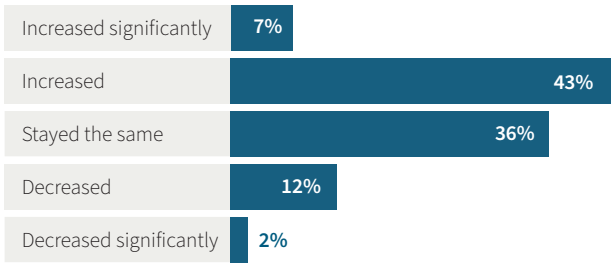
Successful market entry usually requires preparation across several disciplines including financial modelling, distributor selection, logistics, tax and compliance. Those decisions are easier to make before capital is committed than after a product has entered the market.

EXPORTERS ARE DEEPENING THEIR COMMITMENT

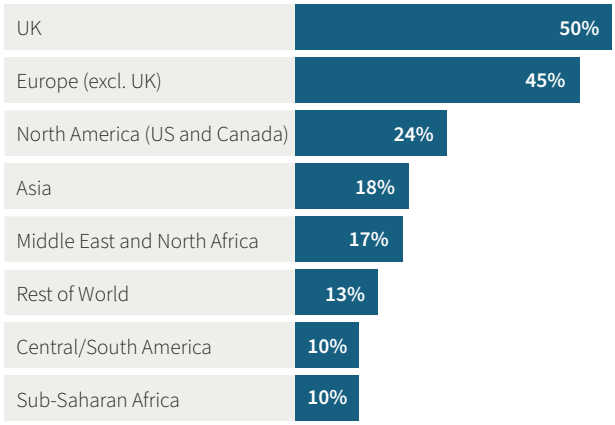
Existing exporters appear to be increasing their exposure to international markets. The share of exporters earning more than half of their turnover abroad has risen from 24% to 32%. The proportion of businesses exporting at all (61%) is broadly flat, so what we are seeing is existing exporters deepening their reach rather than a wave of new entrants.

86% of exporters maintained or grew their international sales over the last twelve months and owners report that export margins have held up with them. Set against weaker reported domestic margins, that suggests international markets are providing a useful source of resilience for some businesses.

INTERNATIONAL SALES PERFORMANCE IN THE LAST 12 MONTHS



KEY EXPORT MARKETS



TOO FEW BUSINESSES ARE TAKING THE FIRST STEP

Only 24% of businesses that do not currently export are planning to do so. That is effectively unchanged on last year and it means roughly three in four non-exporters have no plan to begin.

For a business that has never exported, the first step is the hardest one to cost, and often the most daunting. Distribution, tax, logistics, regulation and working capital all have to be worked through before a single order is secured, and the whole thing can quickly look very complex.

WHAT BUSINESSES SHOULD DO NEXT

The fall in concern about tariffs shows that businesses can adjust when a risk becomes clear and immediate. Market entry and distribution now require the same level of attention. They need to be treated as a defined investment decision, with the costs, risks and expected return understood in advance.

Existing exporters should continue to test whether their route to customer is delivering the margin it should. Businesses considering their first international market need a different starting point, exporting is not simply an extension of Irish sales. Consider sitting down with your advisors and breaking down the requirements. Pick one market, understand the route to the customer, cost it properly and pressure-test the margin before committing capital. Businesses that do that work upfront are in a far stronger position to build a sustainable export business.

To assess your export readiness, cost a market entry plan or pressure-test export margins, contact the ifac Food and Agribusiness team, see the ifac Advisory Team page for details.

CASE STUDY



KARLI OLSEN
Tax Partner, Food & Beverage Industry Specialist, Pinion

Pinion – Texas or New York? Why the state matters more than the country

For Irish food and agribusinesses considering the US as an export market, choosing where to enter can be as important as deciding to enter at all. Karli Olsen of Pinion explains why a state by state approach matters.

Q. Why should Irish businesses avoid thinking of the US as one market?
A. Conditions can change from one state to another. Texas, Georgia, North Carolina, Illinois and California can offer very different advantages depending on your product, customers, supply chain and operating model. We look at tax incentives, distribution infrastructure, labour, operating costs and ease of commercialisation. The best location for one business may be wrong for another.

Q. Can you give an example?
A. Take an Irish branded food or beverage distributor comparing Texas with New York. If logistics, distribution and access to national channels are the priority, Texas may have the stronger case given its location, infrastructure and access to US ports of entry. New York may make more sense for a business focused on Northeast retail density or institutional food programmes. For a specialty food processor, California may appeal where sustainability is central to the proposition, with the state having supported investment in greenhouse gas reduction and advanced energy technologies. But higher processing and production costs matter. For a cost-sensitive producer, Texas, Georgia or Wisconsin may be more competitive.

Q. What mistakes do European companies make when entering the US?
A. One is assuming that securing a buyer or distributor means the job is done. You still need to understand the full economics, including distributor margin, freight, tariffs, foreign exchange, promotional spend, slotting fees, compliance, packaging, labelling, tax, people and working capital. The second is underestimating regulation. We recently advised a European company seeking a US co-manufacturer that had not anticipated allergen requirements, production changeover issues or the implications for labelling, including the potential use of precautionary "may contain" statements.

Q. How much can regulation vary between states?
A. Extended Producer Responsibility, or EPR, is a good example. Not every state has adopted EPR and the rules differ between those that have. California allows certain small producers with gross annual sales below $1 million to apply for an exemption from most reporting and fee requirements, while Colorado has separate revenue and volume based exemptions. Registration, reporting, fee requirements and implementation timelines also vary by state.

Q. What should a company establish before committing capital?
A. Where its customers are, what price the market will support and whether the opportunity can generate a sustainable return. Pack size, packaging, positioning and channel strategy may need to change. Pinion Global Network brings together food and agribusiness advisers internationally, combining knowledge of a company's home market with expertise on the ground.

For Irish businesses considering the US, the questions are simple. Where can we win, what will it cost and can we build a sustainable return? To discuss a US or international growth opportunity, contact David Leydon at davidleydon@ifac.ie.

10 Tax and succession



MARTY MURPHY
Head of Tax, *ifac*

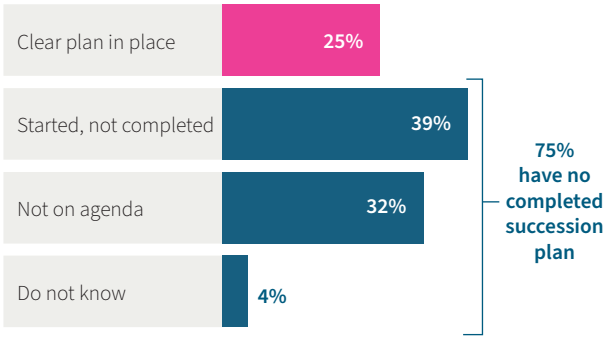
Ready or not? Succession will come

For many owners of food and agribusiness SMEs, succession sits on the long-term agenda rather than the immediate one. There is always another customer issue, recruitment problem or investment decision demanding attention. Yet every business will eventually face a change in ownership or leadership. Planning early gives the owner much more control over when and how that happens.



Just 25% of respondents have a clear succession or leadership transition plan in place, while a further 39% have started the process but have not completed it. For 32%, succession is not on the agenda at all. Overall, three quarters do not have a completed succession plan.

DOES YOUR BUSINESS HAVE A SUCCESSION PLAN IN PLACE?



Consider a large agricultural machinery dealership built over 30 years. It may employ dozens of people, carry millions of euro of stock and represent major manufacturers. The owner may have longstanding relationships with suppliers, funders and customers, while also knowing which people inside the business can close a difficult sale, rescue an unhappy customer or manage stock through the season.

The shares in that company can be transferred quickly, the business cannot. Relationships with suppliers, banks, customers and staff do not automatically transfer with legal ownership, nor does authority built up over decades. A successor needs time to establish credibility, take responsibility and make decisions while the previous generation is still there to support them. Succession therefore needs to begin as a business discussion before it becomes a tax or legal exercise.

WHO WILL RUN THE BUSINESS?

In some cases, the answer is obvious. One child may already be working in the business and have both the ability and desire to take it on. In others, several family members may bring different strengths. One may be commercially strong while another is better suited to finance, people or operations. The answer may also lie outside the immediate family, with a niece, nephew or long-serving management team taking a central role. In many SMEs, the eventual solution may be a combination of family ownership and professional management.

Who should own the business is a separate decision. Where some children work in the business and others do not, equal treatment does not necessarily mean identical ownership, voting rights or responsibilities. Different share classes, a family constitution or shareholders' agreement can help separate economic ownership from control and set out how decisions are made, shares are transferred and family members enter or leave the business.

In other cases, a company purchase of shares or management buyout may provide an exit route for one family member while others continue.

The proposed successor must also want the responsibility and have the ability to manage staff and retain the confidence of customers and suppliers. If one child has spent 15 years building the business while another has pursued a separate career, what does fair succession look like? These questions are easier to answer before ownership changes than afterwards.

THE TAX TIMETABLE

Once you know who is likely to take over, you can look at how and when ownership should transfer. One of the most valuable reliefs is Retirement Relief. Despite its name, an owner does not have to retire to claim it. Broadly, it can shelter Capital Gains Tax (CGT) on the transfer of qualifying business assets, including qualifying shares in a family company.

For transfers to children, the current rules create an important age distinction. Between 55 and 69, qualifying transfers can benefit from Retirement Relief up to an aggregate value of €10 million for transfers to children. Even for larger businesses, value above €10 million does not necessarily create an ultimate tax cost because the CGT on the excess can be deferred and will not ultimately become payable where the successor retains the qualifying assets for 12 years.

A more significant threshold for larger businesses is age 70, when the limit falls to €3 million. Where the business is worth materially more, the tax cost of a lifetime transfer can change dramatically. If that window is missed, an owner may find that a lifetime transfer becomes sufficiently expensive that they hold onto the business until death. Tax should support the succession plan, not dictate it.

LOOK AT WHAT IS INSIDE THE COMPANY

Successful businesses often build up substantial cash reserves or acquire investment property, portfolios and other assets outside the core trade. Those assets matter when Retirement Relief and Business Relief are considered.

Business Relief from Capital Acquisitions Tax (CAT) can reduce the taxable value of qualifying business property passing by gift or inheritance by 90%. However, it should not be assumed that everything inside a company will qualify. Investment businesses are excluded and non-business assets can fall outside the relief, which can include cash in excess of the requirements of the trade. Retirement Relief similarly applies to qualifying chargeable trading assets, so chargeable investment assets within a company or group can restrict the tax relief.

The practical step is to review the balance sheet early, particularly where significant cash, investment property or other non-trading assets have accumulated. There may be commercial and tax reasons to reorganise the structure before succession.

Stamp Duty also needs to be included in the plan. Retirement Relief and Business Relief can substantially reduce CGT and CAT, but a lifetime gift of shares can still give rise to Stamp Duty by reference to market value. For ordinary shares, the standard rate is generally 1% where the special higher rate for certain property-rich companies does not apply. On a valuable SME, that can still be a meaningful cash cost.

WHAT IF SUCCESSION HAPPENS TOMORROW?

A succession plan also needs to work if events do not follow the intended timetable. An owner may plan to transfer the business at 62, 65 or 68, but illness, incapacity or death can intervene much earlier.

For the machinery dealer, the questions are immediate. Who can deal with the bank, approve a major stock purchase, negotiate with the manufacturer or make a decision on staff and customer credit if the owner is suddenly unavailable? If nobody can answer those questions, there is a business-continuity problem before there is a tax problem.

Wills and shareholders' agreements should therefore form part of the succession process. Where there are several shareholders, valuation methods and the mechanism for buying out an interest on death or serious illness should be agreed in advance. Shareholder protection, cross-option arrangements and key-person insurance may also have a role.

FIVE STEPS TO START

1. **Decide who can run the business**
   If you were unavailable for six months tomorrow, who would take control? Identify the people capable of leading the company and maintaining its key relationships and start filling any gaps.
2. **Decide who should own it**
   Speak to the family and proposed successors. Decide whether ownership should differ between active and non-active family members and whether different voting rights, a shareholders' agreement, family constitution or buyout mechanism is needed.
3. **Value the business and understand the tax position**
   Establish what the business is worth, where the value sits and what assets are held in the company or group. Review Retirement Relief, Business Relief and Stamp Duty while there is still time to make changes.
4. **Plan for illness, incapacity or death**
   Review the will, shareholder arrangements, decision-making authority and insurance position so the business can continue if an owner dies or becomes unavailable.
5. **Start transferring the business before transferring the shares**
   Bring the next generation or management team into the meetings that matter. Let suppliers, finance providers and key customers deal with them. Give them responsibility while the current owner is still there to support them.

Three quarters of businesses in our survey have not completed a succession plan.

The earlier the process starts, the more options the owner, the family and the business are likely to have.

To value your business, review reliefs or start a structured succession conversation, contact the ifac Food and Agribusiness team, see the ifac Advisory Team page for details.

11 Finance and restructuring



TOM MURRAY
Managing Director,
Friel Stafford, part of *ifac*

Know your red flags

By the time a business owner calls us, they usually already know something is wrong. Cash is getting tighter, the overdraft is no longer clearing as it used to, suppliers are looking for money and debtors are taking longer to pay. A customer may have been lost, margins may have slipped, or a part of the business may be underperforming. The mistake is waiting until several of those problems are happening at the same time.

Three quarters of food and agribusinesses in this year's survey reported at least one indicator of financial distress, while only one in four reported none. One warning sign on its own does not mean a business is in serious trouble, but when two or three start appearing together it is time to understand what is driving them.

Firefighting, which is the most common red flag this year (25%) is often what happens before the cash problem becomes obvious, as the owner spends the week dealing with whatever is most urgent and the bigger decisions on pricing, costs, debtors, funding or an underperforming part of the business keeps being pushed back.

Stock is another warning sign worth watching. Some 22% reported rising stock levels or slower stock turnover. It may appear as an asset in the accounts, but it still has to be funded and if stock continues to build while sales slow, the pressure on working capital can become serious very quickly.

Oisín Gryson covers the survey findings in more detail on page 10. From a restructuring point of view, the important question is what happens when these warning signs are allowed to build.

Stage 1: you still have choices

The first signs are often relatively ordinary with trade slowing or margin falling. Sometimes the owner starts reducing or stopping their own wages so that staff and suppliers can still be paid, which is understandable but should also be treated as a very serious warning sign.

At this point, the problem may still be largely invisible outside the business and there is usually still room to act. Management can look properly at the numbers, identify where the pressure is coming from and decide what needs to change before others start making those decisions for them.

Stage 2: others start to notice

The next stage is when the problem begins to show outside the business. Tax payments slip, suppliers are asked for more time, rent or loan repayments are delayed and accounts may be late. Credit terms tighten, the bank starts asking more questions and suppliers who were previously patient become less willing to wait.

Banks, Revenue and suppliers will generally engage when management comes to them early understands the numbers and can set out a sensible plan. The conversation becomes much more difficult once commitments have been missed repeatedly and confidence starts to go.

Stage 3: control starts to move away from you

By the third stage, the options have narrowed considerably. Suppliers may demand payment or seek to recover stock, the bank may refuse additional funding and businesses can end up using expensive short-term lenders because more conventional options are no longer available.

Solicitors' letters may arrive, Revenue arrears can increase and finding the money for wages becomes a weekly problem. At that point, decisions are increasingly being driven by creditors and by whatever cash is available that day.

WHAT MAKES A BUSINESS RECOVERABLE?

Not every business in difficulty can be saved and sometimes the underlying business is simply no longer viable. The businesses that have the best chance usually still have a sound core, a management team prepared to act and a problem that can be clearly identified and dealt with. Just as importantly, they still have enough time and cash to make changes, and the bank, Revenue and key suppliers have not lost confidence completely.

That is why timing matters so much. If you go to the bank early with up-to-date numbers, a cashflow forecast and a realistic plan, there is something to discuss. The same applies to Revenue and major suppliers. Leave it another six or nine months and the underlying business may not have changed dramatically, but the options available to you often have.

There are good restructuring tools available, including refinancing, informal creditor arrangements, SCARP and examinership, but they all work better when there is still enough time to use them properly.

If the overdraft is constantly at its limit, debtors are stretching, stock is building, Revenue is falling behind or too much of the week is being spent firefighting, do not wait for another warning sign. Get the numbers in front of you, work out where the pressure is coming from and what the next six to twelve months are likely to look like and make the call while the choices are still yours.

A €5m business does not mean a €5m payday



LAUREN WALL
Corporate Finance,
Friel Stafford, part of *ifac*

Every year we sit with business owners who have been offered, say, 5x EBITDA for their company and have already spent the money in their heads. Then the deal completes and the cheque is smaller than expected. Nobody misled them. They just did not know the difference between enterprise value and equity value.

EBITDA is your profit before interest, tax, depreciation and amortisation. Think of it as the raw earning power of the business, before financing and accounting policies muddy the water. Buyers usually price a business as a multiple of EBITDA. That figure, the multiple times the earnings, is the enterprise value. It is the value of the business itself, not what lands in your pocket.

Equity value is what lands in your pocket and to get there you make two adjustments.

The first is debt free, cash free. The buyer is paying for the business, not your bank borrowings and not your cash pile. So debt comes off the price and surplus cash gets added back. A business sold for €5m carrying €2m of debt puts €3m in the owner's hands. The same business with €1m of spare cash puts €6m in their hands. Same headline, very different outcomes.

The second is normalised working capital. A business needs a certain level of stock and debtors, less creditors, to keep trading day-to-day. The buyer expects a normal tank of fuel to be in it at completion. Deliver less and the price drops. Deliver more and you should be paid for the excess. Sellers who quietly run down stock before a sale usually get caught.

So before you agree any headline number, work out what it means in equity terms. That is the only number that matters to you.

Bank lending is still a relationship business



PJ O'BRIEN
Head of Strategic Financing,
Friel Stafford, part of *ifac*

Ireland's lending market has changed beyond recognition in ten years. Several banks have exited and those that remain have had several redundancy packages, therefore there has been a knowledge drain from the remaining Pillar Banks.

We now have 3 pillar banks, specialist funders, non-bank lenders and private credit providers all active, often chasing the same sectors. More choice in theory. In practice, more to work out. Appetite for well-secured property lending is strong. Anything leaning on cashflow, goodwill or the value of the business itself is harder.

None of that changes the basics. You need a sound business and a proposal that stands up. Getting a deal done is not a matter of pulling projections together and sending the same pack to every lender to see who bites. You need to understand what the transaction actually is, how a credit committee will look at it and which lender is the right one to be talking to in the first place.

Every lender has its own credit appetite, preferred sectors and view on security and repayment capacity. That appetite varies team to team, not just institution to institution. A proposal that gets a lukewarm response in one place can land very differently somewhere with more experience of the sector, or simply more interest in it that quarter.

The transactions that go well are almost always the ones where the risks were on the table from the start. It is better to set out the weaknesses in a proposal than have a lender find them at credit stage. It gives the lender confidence in everything else in the pack and it gives the client a realistic view of what is achievable rather than an optimistic one that unravels later.

Relationships matter, but not in the way it is sometimes suggested. Nobody approves a loan as a favour, and no amount of goodwill will carry a weak proposal. What relationships do is get a well-prepared case in front of the right person and gets you an honest read on whether the appetite is there before months and real money have gone into finding out the hard way. If a deal is not going to work with a particular funder, I would far rather know that in week one.

For all the change in the market, lending is still a relationship business. Knowing who is lending, understanding how credit decisions actually get made and knowing who to ring still counts for a great deal and, in my experience, it is usually what makes the difference between a deal that closes and one that drifts.

I would always encourage early engagement, ideally before you approach a lender. It allows us to work through the key credit risks together, position them properly and present a proposition that gets to credit in the best possible shape. First impressions with lenders are difficult to undo.

If you would like support or just a conversation on this, contact Friel Stafford about corporate recovery, examinership and valuations. See the ifac Advisory Team page for details.

12 Financial planning



MARTIN GLENNON
Head of Financial Planning, *ifac*

Could you afford to stop working tomorrow?

Most successful business owners have a clear view of how their business is performing. They know their turnover, margins and costs. They have targets for the year ahead and a sense of where they want the business to be in three, five or ten years.



The same level of planning does not always extend to their personal finances.

Many business owners will have a pension, savings, investments and, of course, the business itself. The individual pieces may be in place, but it is not always clear whether they add up to the level of financial security they will need later in life.

A useful starting point is a simple question: If you had to stop working tomorrow, could you afford to?

A successful business does not always mean a financially secure owner

For many business owners, a significant part of their personal wealth is tied up in the company. They may draw a good salary, have cash accumulated in the business and own the premises from which it operates. On paper, their net worth can look very strong, but the business is also the source of their income.

If they stop working, become seriously ill or the business runs into difficulty, the picture can change quickly. Some owners also expect the eventual sale of the business to fund a large part of their retirement. That may prove to be the case, but it should not be taken for granted.

The business may ultimately be worth less than expected. There may not be an obvious buyer. A son, daughter or management team may take over but may not have the financial capacity to fund a substantial buyout. That is why it is important to distinguish between having a valuable business and having personal financial independence.

RETIREMENT DOES NOT ALWAYS HAPPEN WHEN PLANNED

Most people have an age in mind when they think about retirement. It might be 60, 65 or later.

In practice, circumstances can change. Health can become an issue. Family priorities can shift. A business may receive an unexpected approach from a buyer. Or an owner may simply decide that they no longer want to work at the same pace.

For that reason, it can be more useful to think about the point at which work becomes optional.

Someone may reach 60 and decide they want to continue working for another five or ten years. That is very different from having to continue working because they cannot afford to stop.

A good personal financial plan should aim to create that choice.

A BUSINESS PLAN FOR YOUR PERSONAL FINANCES

A personal financial plan should do much the same job as a business plan.

It should establish where you are today, where you want to get to and what needs to happen in between.

That starts with understanding your current position. What assets do you own? What borrowings do you have? How much income do you need to maintain your lifestyle? What are you saving each year? What pension provision have you made? What investments do you hold outside the business?

The next step is to look at what you want from the years ahead. You may want to retire earlier, reduce your working week, travel more, help your children financially or simply know that you have the option to step away from the business if circumstances change.

Once those objectives are clear, you can work back from them and assess whether your current level of saving, pension funding and investment is likely to get you there.

PUT NUMBERS AROUND THE PLAN

Cashflow planning can be particularly useful for business owners because it allows different scenarios to be tested. Take a business owner aged 52 who expects to retire at 65. They have a pension, some savings and investments and a successful business. At first glance, the position may look comfortable.

But the picture may change if retirement moves from 65 to 60, the business is eventually worth €500,000 less than expected, investment returns are weaker or the business passes to the next generation rather than being sold.

The same modelling can look at the financial impact of serious illness or the death of either spouse. Bringing these assumptions together gives a clearer picture of whether the person's current assets and future income are likely to support the lifestyle they want. In some cases, the exercise confirms that they are already well positioned. In others, it identifies a gap. Finding that gap at 52 gives you time to do something about it. Discovering it at 64 gives you far fewer options.

BUILD WEALTH OUTSIDE THE BUSINESS

For many business owners, one of the key priorities should be building personal assets outside the company. Pensions will usually form an important part of that.

For company directors, employer pension contributions can provide a tax-efficient way of moving money from the company into an asset being built specifically for retirement. A pension does not, however, have to be the only source of personal wealth.

Savings and investments held outside the pension can provide additional flexibility, particularly for someone who wants to reduce their working hours or stop working before they access their retirement benefits.

The right balance will depend on the individual. A business owner in their 40s with strong surplus income and a long investment horizon will have different priorities from someone aged 61 who hopes to step away from the business within three years.

It is common to see someone with a pension with one provider, investments elsewhere, cash sitting in the company and perhaps several old pension policies from previous employment. Each decision may have made sense individually, but the overall position may never have been reviewed as one plan. That is where proper financial planning adds value.

PROTECT WHAT YOU ARE BUILDING

A financial plan also needs to consider what happens if circumstances do not go as expected. If you are central to the business, an extended period of illness could affect both your personal income and the performance of the company.

Borrowings may still need to be serviced. Your family may still need the same level of income. Where there are other shareholders, death or serious illness can also create questions around ownership and the future of your share in the business.

Protection planning can help address some of those risks. Income protection, life assurance, specified illness cover, key person insurance and shareholder or partnership protection can all have a role, depending on the circumstances.

The starting point should be the financial risk rather than the insurance product. If something happened to you tomorrow, what would the financial impact be on your family and on the business? Which risks could you absorb yourself and which would cause a significant problem? Insurance should then be used where appropriate to protect the wider financial plan.

GIVE YOURSELF OPTIONS

For most business owners, good financial planning is not about building the largest possible pension fund or investment portfolio. It is about creating options.

That might mean retiring at 60 rather than 65, reducing your working week, transferring the business without requiring the next generation to fund a large buyout, helping children or grandchildren financially, or coping with an unexpected change in health or family circumstances without putting everything else under pressure.

No financial plan can predict exactly what will happen over the next 20 or 30 years.

What it can do is show whether the assets, pensions, investments and business value you have today are likely to support the choices you want later.

Business owners routinely plan ahead for turnover, margin, investment and cashflow. Their personal finances deserve the same discipline.

To have a conversation about your personal financial plans, contact the ifac Food and Agribusiness team, see the ifac Advisory Team page for details.

13 Sustainability



AMY WARD WHELAN
Food and Agribusiness Director, *ifac*

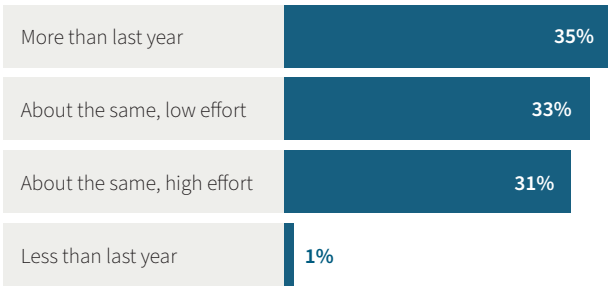
Can you prove it?

Sustainability may have gone quiet, but two thirds of the sector are still taking it seriously.



Since the EU paused reporting obligations for thousands of companies, the noise around sustainability has died down considerably. The activity has not, 35% of businesses report doing more than last year, while a further 31% report maintaining a high level of effort.

ARE YOU TAKING MORE OR LESS SUSTAINABILITY ACTIONS IN YOUR BUSINESS THAN YOU WERE LAST YEAR?

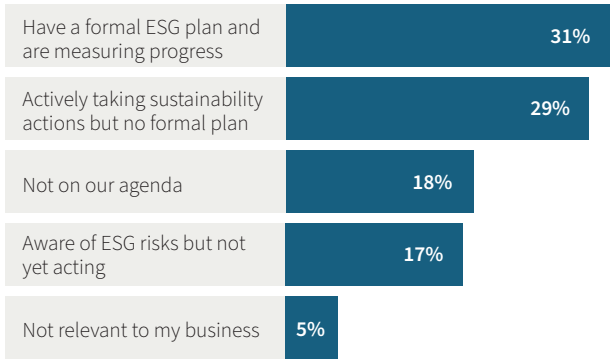


That means about two thirds of the sector are either increasing their sustainability activity or maintaining it at a high level. A separate question looks at how much of that activity is formally measured. Just 31% have an Environmental, Social and Governance (ESG) plan in place and are measuring progress against it.

THE EVIDENCE GAP

A further 29% are actively taking sustainability actions but have no formal plan and are not measuring progress. These businesses may already be reducing energy use, cutting waste, changing packaging or improving sourcing.

WHICH BEST DESCRIBES WHERE YOUR BUSINESS IS ON MANAGING ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISK?



> **THE ACTIVITY IS THERE BUT THE EVIDENCE OFTEN ISN'T."**

When a large customer issues a supplier questionnaire, or a lender asks about sustainability, a business may need to provide evidence such as a baseline year, a measured footprint or documented targets. Good intentions are increasingly less useful than evidence of what the business is actually doing.

CLIMATE RISK IS ALREADY IN YOUR COSTS

The reporting requirement pause changed the paperwork while the physical risk carried on. Food and agribusiness sits closer to that risk than almost any other sector.

91% of respondents report rising input costs this year, the highest level recorded in nine editions of this Report. For food and agribusinesses, weather, water availability and agricultural yields can all influence raw material costs and security of supply. For many businesses, climate exposure is therefore already a commercial and supply-chain issue, regardless of reporting requirements.

WHERE TO START

For the 29% already taking action without formally measuring progress, much of the groundwork may already be in place.

1. Set a baseline year and measure Scope 1 and 2 emissions. For most food and agribusinesses this can be done from utility bills and fuel records. The free online tool Climate Toolkit 4 Business will help you quantify it. https://climatetoolkit4business.gov.ie/
2. Pick one or two targets that are within your control, write them down and name one person as responsible.
3. Keep an evidence file with invoices, meter readings, waste dockets, certifications and supplier correspondence. Keeping this information together and updating it regularly will make future customer, lender or reporting requests much easier to manage.

WHERE TO GET FUNDED HELP

- **Green for Business** (via your Local Enterprise Office): fully funded mentoring with a sustainability consultant, for smaller companies.
- **SEAI**: energy audits and efficiency upgrades, where most businesses in this sector see the fastest payback.
- **Climate Action Voucher** (Enterprise Ireland clients): consultancy.
- **GreenStart** (Enterprise Ireland clients): a first structured assignment.

THREE STEPS TO START

1. **Set a baseline and measure it**
2. **Choose one or two targets and assign an owner**
3. **Keep the evidence in one place**

To measure your carbon footprint, set targets or build a sustainability roadmap, contact the ifac Food and Agribusiness team, see the ifac Advisory Team page for details.

Certified B Corporation

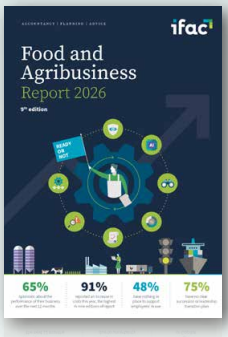


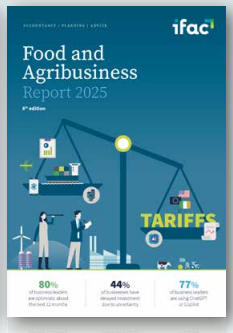
Selected contributors to the report

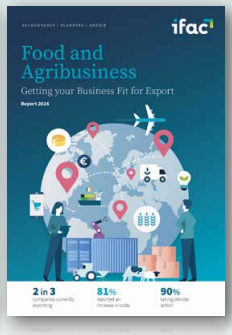
We gratefully acknowledge the valuable input of all the companies who contributed to this report by responding to the *ifac* Food and Agribusiness sentiment survey. This is a non-exhaustive list of contributors.

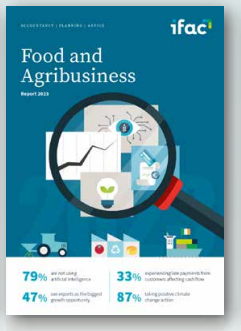
Methodology: The 2026 *ifac* Food and Agribusiness sentiment survey fieldwork took place during June and July 2026. The 2026 research is the 9th wave of this study, following initial benchmarking in 2018 and subsequent surveys in 2019, 2020, 2021, 2022, 2023, 2024 and 2025. A total sample of 158 was achieved. The survey sample was divided into Sole Trader (8%), Micro, under 10 employees (27%), Small, 10-49 employees (26%), Medium, 50-250 employees (22%) and Large, 250+ employees (17%). Respondents cover a wide spread of business size by turnover, with 63% reporting revenues of up to €20m and 37% reporting revenues over €20m.

Ifac research and reports













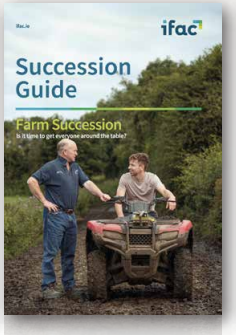






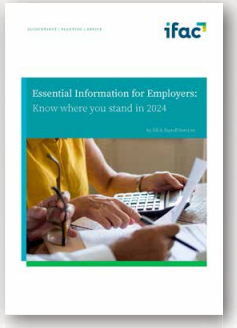
FROM THE *IFAC* TEAM



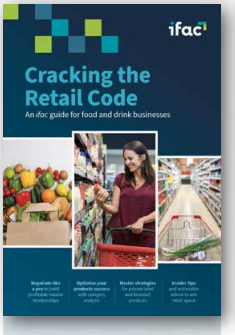




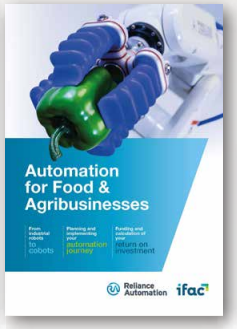




OTHER PUBLICATIONS FOR FOOD AND AGRIBUSINESS SMES









To read our full range of publications
Download our farm reports, guides and brochures here (ifac.ie)

About *ifac*

Sound advice, independent solutions

We specialise in a number of key areas which provide you with expert advice and services to help you grow your business.

Our advisory services

Strategic Planning and Business Transformation
- ✓ Strategic growth planning.
- ✓ Business transformation.
- ✓ Tax advisory.



Market Research and Insights
- ✓ International market selection and prioritisation.
- ✓ Economic assessments.
- ✓ Independent reports.



Food Business and Retail Advisory
- ✓ Commercial strategy.
- ✓ New product development.
- ✓ Retail advisory.



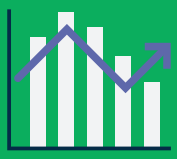
Strategic Marketing and Communications
- ✓ Development of a sales and marketing structure.
- ✓ Media planning and execution.
- ✓ Brand proposition development.



Sustainability and ESG
- ✓ GHG emission measurement.
- ✓ Sustainability plan and roadmap development.
- ✓ Sustainability reporting.



Funding and Management Accounting
- ✓ Fractional CFO service.
- ✓ Business financial reviews.
- ✓ Grant application support.



Scan here to download our Specialist Advisory publication.

Our wider range of services

- **Financial Accountancy and Compliance**
- **Corporate Recovery and Insolvency**
- **Tax structuring, Succession and Advisory**
- **Financial Planning**
- **Forensic Accounting**
- **Audit and Assurance**
- **HR and Payroll Services**
- **Business Valuations**
- **Company Secretarial**
- **Corporate Finance**

The *ifac* food and agribusiness advisory team

David Leydon
Group Head of Growth and Agrifood Consulting
E davidleydon@ifac.ie
M (087) 9908227



Amy Ward Whelan
Food and Agribusiness Director
E amywardwhelan@ifac.ie
M (087) 4947176



Maura O'Callaghan
Food and Agribusiness Director
E mauraocallaghan@ifac.ie
M (085) 8587182



Avril Collins
Marketing and Communications Consultant
E avrilcollins@ifac.ie
M (086) 2647645



Stephanie Walsh
Food Business Consultant
E stephaniewalsh@ifac.ie
M (087) 6061478



Andrew Brolly
Fractional CFO
E andrewbrolly@ifac.ie
M (087) 8087877



Oisín Gryson
Food and Agribusiness Financial Consultant
E oisingryson@ifac.ie
M (086) 1282138



Lorraine Glynn
Management Accountant
E lorraineglynn@ifac.ie
M (087) 1022799



Jane Walker
Food and Agribusiness Executive
E janewalker@ifac.ie
M (087) 4272850



The wider *ifac* advisory team

Marty Murphy
Head of Tax



James Farrell
Head of SME



Karol Kissane
Head of Public Sector Services and Economics



Tom Murray
Director Friel Stafford



Mary McDonagh
Head of HR and Payroll Services



Dermot Carey
Head of Audit Services



PJ O'Brien
Head of Strategic Financing



Philip O'Connor
Head of Farm Support



Martin Glennon
Head of Financial Planning



Lorraine Donoghue
Head of Legal



Lauren Wall
Corporate Finance, Friel Stafford



Keith O'Rourke
Tax Consultant



Patrick D'Arcy
Head of Forensics, Friel Stafford



A team of dedicated experts.



With over 30 offices across Ireland, our clients have access to a network of expertise across a broad range of sectors - from agribusiness and farming to renewable energy and food production. Our roots within each of our communities means we have deep local understanding and knowledge.

Speak with one of our Food and Agribusiness team and see how we can help your business grow. Contact us on **1800 334422** or visit **www.ifac.ie**

OUR OFFICES

Leinster

Carlow, Co. Carlow
Enniscorthy, Co. Wexford
Fitzwilliam Place, Dublin 2
Kilkenny, Co. Kilkenny
Mullingar, Co. Westmeath
Naas, Co. Kildare
Portlaoise, Co. Laois
Trim, Co. Meath
Tullamore, Co. Offaly
Wicklow, Co. Wicklow

Connacht

Athenry, Co. Galway
Balla, Co. Mayo
Collooney, Co. Sligo
Roscommon, Co. Roscommon

Munster

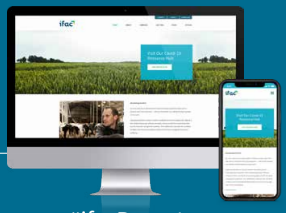
Bandon, Co. Cork
Blarney, Co. Cork
Cahir, Co. Tipperary
Carrick-on-Suir, Co. Tipperary
Castleisland, Co. Kerry
Charleville, Co. Cork
Dungarvan, Co. Waterford
Ennis, Co. Clare
Limerick City
Mallow, Co. Cork
Nenagh, Co. Tipperary
Skibbereen, Co. Cork
Templemore, Co. Tipperary

Ulster

Cavan, Co. Cavan
Monaghan, Co. Monaghan
Raphoe, Co. Donegal

Specialist Services

Audit
Company Secretarial Services
Corporate Finance
Corporate Recovery
Farm Support
Financial Planning
Food and Agribusiness Advisory
Forensic Accounting
HR and Payroll Services
Public Sector Services and Economics
Tax Advisory



Stay in touch for updates and news:

𝕏 @ifac_Ireland f @ifacIreland in @ifac-Ireland www.ifac.ie #ifacReport