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Food and Agribusiness
Report 2025

8th edition

80% of business leaders are optimistic about the next 12 months

44% of businesses have delayed investment due to uncertainty

77% of business leaders are using ChatGPT or Copilot

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Foreword

Leading a business starts with having a vision for the future. It means imagining what you can achieve, identifying the best opportunities, and taking calculated risks to create lasting impact. As Denis Brosnan, founder of Kerry Group, once said, as a leader you *"wake up in the morning and ask yourself what will this place look like five to ten years from now."* All of this happens while you are navigating today's urgent challenges.

JOHN DONOGHUE
CEO, *ifac*

As ever, the agrifood leaders featured in our Report are doing it all, demonstrating how ambition, resilience, and innovation can align to deliver both short-term results and long-term growth.

Despite rising costs, market volatility, and climate pressures, Ireland's agrifood sector continues to perform and adapt. This high-performance sector is Ireland's unique advantage. No one does agrifood like us, and global consumers clearly agree, generating exports to the value of €17 billion in 2024 (Bord Bia) and creating employment for 171,000 people (DAFM). The sector also provides vital support to rural communities. Most of those jobs are outside major urban centres.

Four out of five leaders surveyed are optimistic about the future, though nearly half remain cautious on investment. Global markets, particularly the UK and US, present significant opportunities, and risks, especially currency and tariff risk.

Three-quarters of the businesses surveyed do not have clear succession plans, an area where *ifac* provides tailored guidance. Protecting your assets and ensuring tax efficient wealth transfers should be a high priority, and careful tax planning is the best way to achieve it.

At the same time, the sector is showing how vision translates into action. Businesses are investing in sustainability, responding to customer demand for environmental accountability, and adopting AI across marketing, product development, and operations. AI is fast becoming a real source of competitive advantage.

What stands out most in this year's Report is the calibre of leadership. Ireland's food and agribusiness entrepreneurs are not just coping with disruption; they are using it as a catalyst to think bigger, build stronger, and position themselves globally. Each year, their ambition grows and with it, the reputation of Irish agrifood as a world-class industry.

At *ifac*, we are proud to support that journey. With over 50 years of experience, we now partner with 18,000 producers, 3,000 agrifood firms, and 9,000 SMEs across Ireland, helping clients succeed through trusted advice, deep sector expertise, and a commitment to our communities.

My thanks to David Leydon, our Food and Agribusiness team, and all contributors. I hope this Report sparks the conversations and confidence to help you realise the vision for the future of your business.

Best wishes,
John Donoghue

Despite uncertainty and rising costs, optimism returns to highest levels

The past year has again demonstrated the resilience, adaptability and optimism of the food and agribusiness sector. Despite ongoing uncertainty in the global economy and rising costs, confidence among business leaders has returned to its second-highest levels since we began this report in 2018. This renewed sense of optimism reflects the strength of the sector and its ability to navigate disruption.

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

This year's Food and Agribusiness Report, the 8th edition, delivers a comprehensive overview of the state of Irish food and agribusiness SMEs. Respondents to our survey of food and agribusiness owners and leaders pointed to persistent challenges that continue to shape decision-making, including the rising cost of inputs, employer costs and ongoing inflationary impacts across supply chains.

For many, the cost of doing business remains a central concern. Staff turnover, overheads and energy volatility influenced by geopolitics and trade disputes, including tariffs are all impacting. At the same time, consumers are grappling with the pressures of higher living costs, which reduces disposable income and reshapes demand patterns across the sector. These dynamics make competitiveness a pressing priority, forcing businesses to rethink efficiency and pricing strategies while also exploring opportunities to differentiate through value-added products and sustainable practices.

What stands out most strongly from this year's findings is the speed and scale of technological transformation. Only a few years ago, in our 2018 and 2019 reports, discussions centred on something as basic as broadband connectivity. At that time, just 28% of business leaders reported having 'perfectly sufficient' access, while 22% struggled with poor connectivity. Fast forward to today, and the conversation has shifted dramatically.

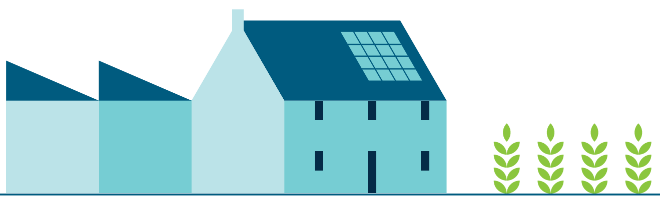
Artificial intelligence (AI) has quickly moved from a niche experiment to a mainstream business tool. When we first introduced questions on AI in 2022, only 5% of businesses had made investments in the technology. In 2023, just 21% of leaders were aware of AI applications and actively using them, with early mentions of ChatGPT marking the start of broader engagement. The pace of adoption since then has been extraordinary. Today, 77% of business leaders report using tools such as ChatGPT and Microsoft Copilot for activities such as marketing, advertising and sales as well as market research and trend analysis.

2025 CASE STUDIES

This year we included some case studies which highlight various elements of a food or agribusiness company journey:

- **EASYFIX** – an international success story with advice for exporting companies.
- **Burns Farm Meats** – the importance of maximising efficiency and managing costs as a food business dealing with inflation and price increases.
- **Cormac Tagging** – the impact of strategic marketing on business growth.

Our keynote interview with Enterprise Ireland CEO, Jenny Melia, discusses the importance of the agrifood sector to the Irish economy and how companies can scale globally. We wish Jenny the best of luck in her new role as CEO.



Key Themes

Other key themes which emerge in this year's *ifac* Food and Agribusiness Report:

- **Optimism:** 80% of business leaders are optimistic about the performance of their business over the next 12 months, a 25% increase from 2024.
- **Uncertainty:** 44% of businesses have delayed investment due to uncertainty.
- **Cost challenges:** 80% reported an increase in costs this year, with cost of inputs a key challenge to growth for businesses.
- **Cashflow issues:** 36% of respondents are facing cashflow challenges in their business.
- **Sustainability:** 83% of businesses are getting similar or more customer requests for sustainability data, with half of respondents saying improving environmental credentials helps them to differentiate from competitors.
- **Succession planning:** 77% of businesses do not have a clear succession or leadership transition plan in place.

How we work with clients

The *ifac* offering to SMEs, Co-Ops, family businesses and other organisations in the food and agribusiness sector continues to develop and expand. Our team of specialists (see page 41) have a deep understanding of food and agribusinesses. We are engaged by companies and organisations on a full range of professional services.

Our consulting services include business strategy, financial reviews, market research, retail advisory, business transformation, 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. 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, 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

Many thanks to all people and companies in this year's report including, Jenny Melia (Enterprise Ireland), Cathal Burns (Burns Farm Meats), Ronan Boyle (EASYFIX), Ursula Kelly (Cormac Tagging) and Ciarán Feeney (MartEye).

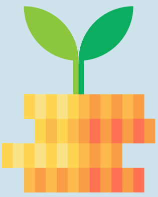
A special thank you to Aisling Donnellan (project manager) and the food and agribusiness team as well as the wider *ifac* team for their work on this publication.

Key takeaways

BUSINESS PERFORMANCE AND OUTLOOK

80%

of business leaders are optimistic about company performance over the next 12 months, a 25% increase from 2024.



44%

of businesses have delayed investment due to uncertainty.

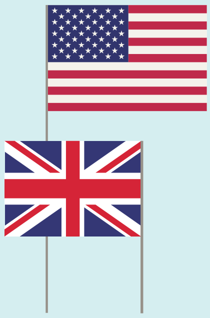
80%

reported an increase in costs this year.

INTERNATIONAL SALES

9 in 10

survey respondents' international sales have maintained or increased in the last 12 months.



52%

of survey respondents are exporting to the UK and 1 in 4 are exporting to the USA.

70%

of businesses are not invoicing or getting paid in euro, exposing them to FX risk.

SUSTAINABILITY

83%

of businesses are getting similar or more customer requests for sustainability data.

FOOD

58%

of food businesses are focusing on process improvements to manage costs.

PEOPLE AND CULTURE

46%

of business leaders are not aware of the Wage Transparency Act.

ARTIFICIAL INTELLIGENCE

77%

of business leaders are using ChatGPT or Copilot.

STRATEGIC MARKETING

2 in 5

businesses have no formal marketing strategy or rely on a reactive approach.

16%

of businesses are focusing on market research and customer insights, indicating 84% of respondents could be missing out on valuable data and growth opportunities.

SUCCESSION

77%

do not have a clear succession or leadership transition plan in place.

1 Keynote interview

JENNY MELIA
Enterprise Ireland CEO

Jenny Melia is the newly appointed Chief Executive Officer of Enterprise Ireland, the State agency that helps Irish companies to start, grow, innovate, and win export sales in global markets. Jenny has worked with Enterprise Ireland for 29 years. Before being appointed to the role of CEO in May of this year, Jenny held a number of senior leadership roles across the organisation. She has worked extensively with companies of varying scales from all sectors, including food and drink.

In discussion with *ifac's* David Leydon, she discusses the importance of the agrifood sector to the Irish economy and how companies can scale globally.

What role do you see the Irish agrifood sector playing in global food systems over the next decade? Are we well positioned and where should we double down?

Ireland is internationally recognised for high-quality food production, with a reputation for delivering premium products and innovative agrifood solutions. The agrifood sector is Ireland's oldest and largest indigenous exporting industry, reaching customers in more than 180 countries. It is a major employer in towns and communities around the country, supporting more than 60,000 high-quality jobs and accounting for 26% of all employment in Enterprise Ireland supported companies.

Irish exporters are agile and resilient. Last year exports from Irish owned companies supported by Enterprise Ireland reached a record €36.75bn, up 7% on the year prior. All sectors showed strong growth, with exports from food and sustainability companies increasing by 5% to reach a total of €16.25bn. Despite global volatility, the sector has demonstrated remarkable adaptability and resilience.

The Irish food and drink sector is undergoing a transformative shift, driven by innovation and a strong commitment to sustainability from pioneering enterprises. The industry benefits from a unique combination of strengths; access to high-quality raw materials, a highly skilled workforce, world-class research infrastructure, and robust government support for innovation-led growth. Looking ahead, a renewed focus on impactful, commercially driven innovation will be key to maintaining our global competitiveness and improving profitability across the sector.

Many innovative food and agribusiness businesses are SMEs. What is your advice for those without a large export team but with a strong product?

Enterprise Ireland supports export-focused Irish companies at all stages of their journey from starting to scaling globally.

Strengthening the capability, skills and talent among a team of any size is critical for Irish SMEs seeking to grow in international markets. The ability of Irish businesses to attract, develop and retain the right skills and talent is essential to increasing global reach, productivity and competitiveness.

Enterprise Ireland aims to support 1,700 new and additional Irish-owned exporters by 2029.

Enterprise Ireland has offices worldwide. Which 2 or 3 regions would you be urging Irish companies, particularly in food and agtech, to pay close attention to right now?

Enterprise Ireland has 42 international offices, with specialist staff, including 190 overseas market advisors, to support companies to explore new opportunities overseas. With global challenges in recent years, it has never been more important to support companies to focus on key markets and to double down on these by consolidating their presence. As global economies change, our team is also focused on market diversification and working with exporters who want to understand more about the opportunities that exist in new markets.

The Eurozone offers scale, regulatory alignment and tariff free access. More than a quarter (26%) of total exports from Enterprise Ireland supported companies went to the Eurozone in 2024, representing an increase of 9.6% to €9.42bn with growth recorded across many countries, including Germany, the Netherlands and France. There are huge opportunities for the food and agri sector within the region, with strong demand for value-added dairy and infant nutrition.

The UK continues to be a strategically important market for Irish agri food exporters with grass fed dairy, premium beef and the functional nutrition sectors continuing to see growth. Our recent export results show that exports to the UK reached €10.52bn in 2024, up 4% year-on-year, and exceeding €10 bn for the first time. Geographic location, language and commonalities in the business environment and customer need means the UK is often the first port of call in terms of international markets targeted by new exporters. The UK offers huge potential for established exporters who already have a presence in the market. Furthermore, sustainability standards are increasingly aligned with EU expectations.

Notwithstanding current challenges, the US continues to be an important market for dairy, functional nutrition, our drinks sector and grass-fed beef. We know from our team on the ground that US buyers increasingly value sustainability, traceability and clean-label products.

Irish companies with efficient processing and export capabilities are well-positioned to leverage opportunities in emerging new markets including West and Central Africa and Southeast Asia and China.

You have spoken before about sustainability as a business driver. Are international buyers beginning to demand the same level of sustainability standards as the EU does, despite slowing down on reporting requirements?

Absolutely. Sustainability remains a core competitiveness factor for Irish companies in all our major markets.

The EU continues to set a high bar for sustainability, and while some reporting requirements have slowed, the direction of travel is clear: buyers, investors, and consumers globally are demanding lower-carbon, more sustainable products and services. For Irish food and drink exporters, this is an opportunity to lead as well as a challenge.

Enterprise Ireland is working with Irish companies to turn these demands into market advantage, from helping SMEs cut energy use and carbon emissions through our Green Transition Fund, to supporting large emitters in agrifood and other sectors to invest in transformative decarbonisation projects. We also back research and innovation to develop new sustainable products, processes, and technologies.

Our message is clear: embedding sustainability in your strategy is not optional. Companies that do this will be best placed to grow, compete, and attract investment in the low-carbon economy.

David Leydon and Jenny Melia at the Enterprise Ireland HQ in Eastpoint, Dublin.

Aside from capital and market access, what is the missing ingredient in Ireland that could help more companies scale globally?

Right now, costs are rising, some markets are unpredictable, and technology is moving at a very fast pace. Disruption will lead to new opportunities, new business models, new innovations and new ways of thinking and working. Innovation is no longer a nice to have for companies, it is critical to remain globally competitive and for long-term sustainable growth.

The generation and application of AI and new knowledge through research, development and innovation (RD&I) is crucial to the future prosperity of Ireland's food industry. To remain competitive globally, Irish companies must enhance the quality, level, and commercial impact of their RD&I activities. This means not only doing more RD&I but doing it smartly, focusing on projects that respond to fast-changing market opportunities and customer needs and embedding innovation across all business processes.

As part of our overall new organisational strategy, the goal is to realise a €2.2 billion spend on RD&I by Enterprise Ireland supported companies by 2029. We have a range of supports and offers available and encourage all of our client companies to discuss this with their dedicated Client Advisors to see what might be suitable for their business.

Enterprise Ireland recently launched their new strategy, 'Delivering for Ireland, Leading Globally (2025-2029). To read the full strategy and learn about how Enterprise Ireland could support your business visit www.enterprise-ireland.com.

2 Business performance and outlook

OISÍN GRYSON
Senior Executive, *ifac*

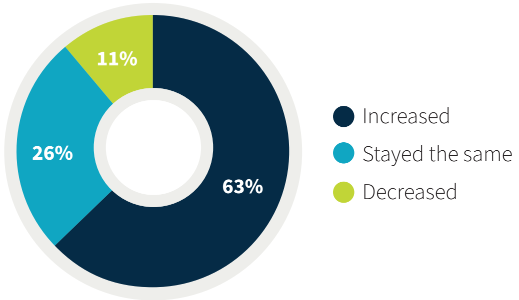
Optimism levels return to their highest levels, with 80% of business owners feeling optimistic about business performance over the next 12 months.

The challenges facing businesses are consistent with 2024 with two of the top three challenges remaining the same, input costs and staffing. 60% of businesses cited the cost of inputs as a challenge to growth. Unsurprisingly, given recent changes in the macro-economic environment this was followed by trade tariffs (48%), while staffing shortages was the third most common concern (40%).

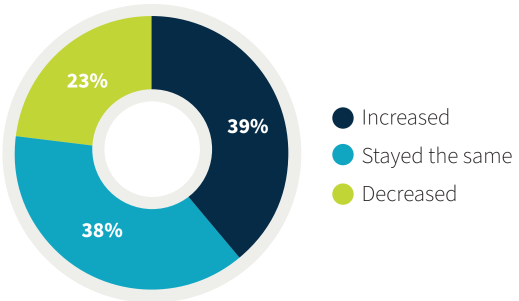
FINANCIAL PERFORMANCE AND INCREASING COSTS

Four in five businesses experienced an increase in input costs over the last year. While 63% of respondents have seen an increase in turnover this number is not reflected in their net profit, with only 39% reporting an increase. Inflation over the last number of years has given rise to price increases. This may have contributed to the increased turnover experienced by companies in the sector.

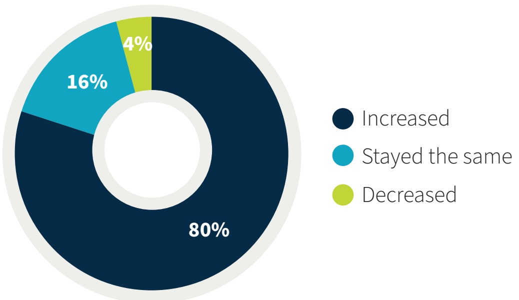
TURNOVER



NET PROFIT



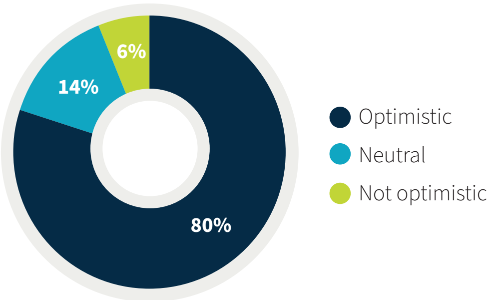
INPUT COSTS



OPTIMISM

The level of businesses reporting an optimistic outlook for the next 12-months has increased by 25% when compared to 2024. At 80%, this is the second-highest level of optimism recorded since the inaugural Food and Agribusiness Report in 2018.

OPTIMISM LEVELS



CHALLENGES

The top three challenges are the same as last year with the ranking changed slightly. Increasing costs continue as the challenge impacting most businesses (60%), followed by uncertainty with government policy, trade tariffs and increased regulation (48%) and staffing shortages (40%).

CHALLENGES TO GROWTH

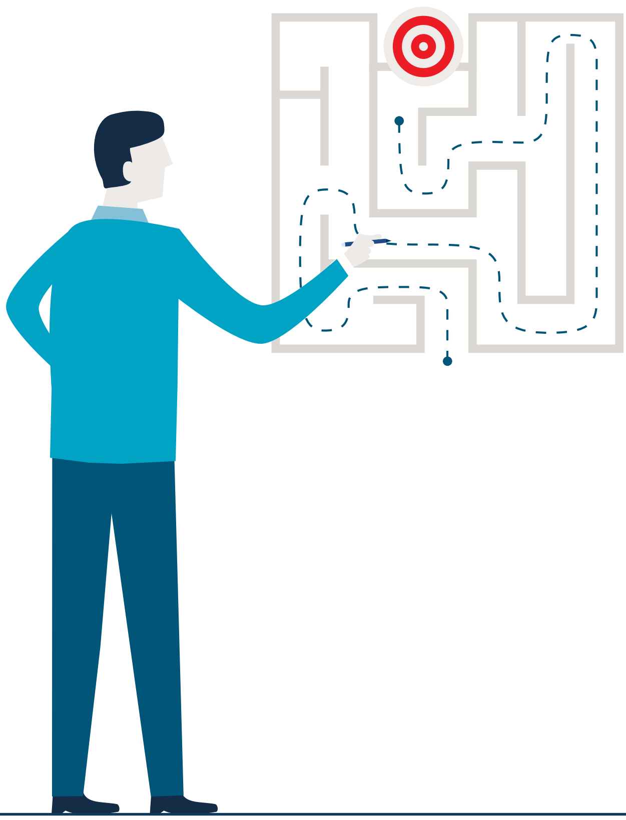
Cost of inputs	60%
Uncertainty with government policy, trade tariffs and increased regulation	48%
Staffing shortages	40%
Changing consumer preferences	21%
Supply chain disruptions	21%
Competition from larger organisations	18%
Access to finance	16%
Growing export markets	9%
Consolidation of Irish agriculture	8%
Cybersecurity risks	4%

OPPORTUNITIES

57% of companies cite the launch of new products or services as the key opportunity for growth. This is a 7-percentage-point increase compared to 2024. This is followed by increasing demand from customers (46%) and exporting to new markets (34%). The increase in input costs experienced across the sector has led to only one in four businesses believing that improving their margin is an opportunity for growth.

OPPORTUNITIES FOR GROWTH

Launch of new products or services	57%
Increasing demand	46%
Exporting to new markets	34%
Increased automation	29%
Margin improvement	26%
Adoption of new technologies including AI	20%
Investing in R&D	19%
Acquisition of new businesses	13%
Changed regulatory environment	9%



BUSINESS RED FLAGS

While sentiment is positive, it is important for businesses to monitor any emerging red flags. With rapid changes occurring across the globe, maintaining a strategic view of your business can help you identify red flags before they become a financial crisis.

Short or medium-term cashflow issues continues to be the primary red flag being experienced by food and agribusinesses at 36%, down two percentage-points on last year. This is followed by slowing trade because of geopolitical risk (30%) and firefighting in the business (27%).

RED FLAGS EXPERIENCED BY FOOD AND AGRIBUSINESSES

Short or medium-term cashflow issues	36%
Slowing trade because of geopolitical risk	30%
Firefighting in the business	27%
Increase in average stock levels or slowdown in stock turnover	22%
Requiring longer payment terms from creditors	18%
General reduction in prices in the sector	17%
Increased bad debts	13%
Difficulty borrowing from traditional funding sources	9%

FUTURE PLANS

While 40% of businesses plan to grow over the coming 12 months, the majority (56%) are aiming to maintain their current level of business over the next 12 months. Only 4% are intending to scale down their business. This figure reflects the overall level of optimism felt within the sector.

INTENT TO GROW

Scale down significantly	1%
Scale down marginally	3%
Maintain current level	56%
Grow marginally	26%
Grow significantly	14%

44% of businesses have delayed investment decisions. As input costs continue to rise, margins tighten and with concerns around trade tariffs, businesses have paused some investment decisions. A full review of trade tariffs can be read on page 12.

DECISION TO DELAY INVESTMENT DUE TO UNCERTAINTY

Delayed investment indefinitely	7%
Delayed for 2+ years	3%
Delayed for 1 year	23%
Delayed for 6 months	10%
Have not delayed investment	56%

Understanding the current banking and interest rate environment

The European Central Bank (ECB) has cut rates eight times over nine months, bringing the main deposit rate to 2%, a significant shift from the aggressive hikes that began in July 2022.

This creates financing opportunities for food processing companies, distributors, and agribusinesses looking to invest in processing equipment, cold storage, fleet expansion, and technology upgrades. Borrowing costs are considerably more favourable than 18 months ago.

ECB President, Largarde, indicates we may be nearing the end of the easing cycle, with the central bank comfortable handling upcoming uncertainties. While some analysts predict rates could drop to 1.75% by year-end, many expect rates to hold around 2.00% with perhaps one modest additional cut.

Banks are responding differently to these changes, some pass along rate benefits faster than others, making it worthwhile to shop around with different lenders. If you are considering expansion or automation projects, now might be an opportune time to explore financing options while rates remain favourable.

NOREEN LACEY
Head of Banking, *ifac*

Managing financial performance based on trends in the SME sector

The SME sector, particularly within food and agribusiness, operates in a complex financial landscape shaped by rising input costs, inflationary pressures, and evolving market dynamics. Managing financial performance in this environment requires a strategic, data-informed approach that balances cost control with growth opportunities.

While 63% of SMEs have experienced increased turnover, only 39% have seen a corresponding rise in net profit. This gap highlights the impact of escalating input costs, reported by 80% of businesses, and underscores the importance of margin management. SMEs should scrutinise their cost structures, renegotiate supplier contracts, and explore efficiencies to protect profitability.

JAMES FARRELL
Head of SME, *ifac*

Cashflow remains a critical concern, with 36% of businesses citing short- or medium-term cashflow issues as a red flag. Effective cashflow forecasting, tighter credit control, and diversified funding sources are essential tools to mitigate these risks. Businesses should also monitor stock turnover and payment terms, as these can signal deeper financial stress.

Despite these challenges, optimism is high, with 80% of businesses feeling positive about the next 12 months. This sentiment is reflected in growth intentions, where 40% of businesses plan to expand. However, investment decisions are mixed, 44% have delayed investment, while others are cautious due to uncertainty around trade tariffs and government policy.

To manage financial performance effectively, SMEs need to align their financial strategy with operational realities. This includes scenario planning to anticipate regulatory changes, geopolitical risks, and consumer shifts. Investing in financial literacy across leadership teams can also lead to better decision-making.

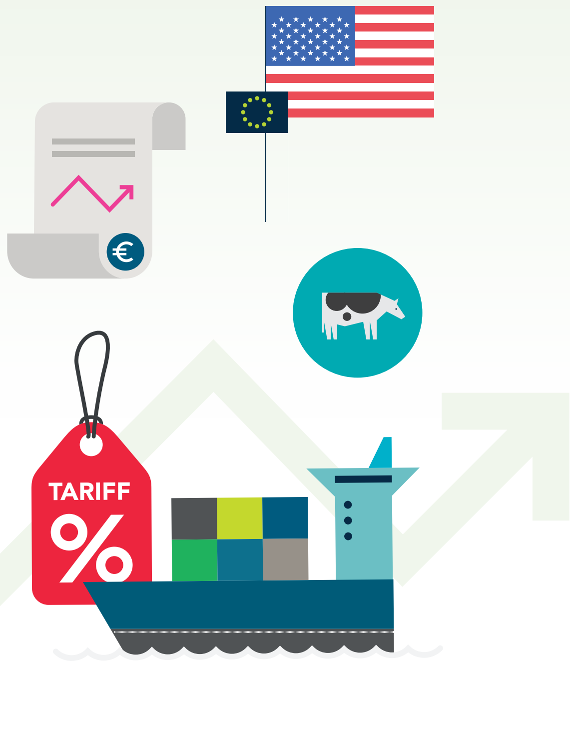
Opportunities for growth, such as launching new products (57%) and expanding into new markets (34%), should be pursued with a clear understanding of cost implications and return on investment. Strategic investment, rather than reactive spending, will be key to sustaining performance.

In summary, SMEs must adopt a proactive stance in managing financial performance. By leveraging data, controlling costs, and investing wisely, businesses can navigate current challenges and position themselves for long-term success.

3 Tariffs – the new trading reality

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

The recent announcement of an agreement between the EU and United States (US) will see the introduction of a standardised 15% tariff rate on a broad range of goods imported into the US from the EU and lowers tariffs on many goods going in the opposite direction. This marks a major turning point in transatlantic trade relations. It should be noted that items the EU deem as 'sensitive sectors' such as beef and ethanol will not see rates lowered for such products imported into the EU from the US.



The implementation of this unified tariff on EU imports into the United States mitigates recent uncertainties and higher rates earlier this year. However, it does not automatically provide relief. For Irish exporters heightened vigilance, adaptability, and strategic planning remain essential.

One third of survey respondents consider tariffs as one of the most concerning macroeconomic factors, with 38% saying uncertainty around trading tariffs is one of their biggest challenges to sales outside Ireland.

> **66% of respondents exporting to the US said uncertainty around trading tariffs is one of their biggest challenges to sales outside Ireland**

As has been experienced to date during the second Trump Presidency the only certainty is uncertainty, there are no guarantees that the trading landscape will not change again.

WHAT DOES THE NEW AGREEMENT MEAN FOR IRISH BUSINESSES?

The agreement applies to products that were subject to highly variable tariffs over the last number of months. While the new 15% ceiling on many goods simplifies the regime, it still represents a cost increase for many companies previously trading under the Most Favoured Nation rate, which averaged c.4.8% on exports to the US.

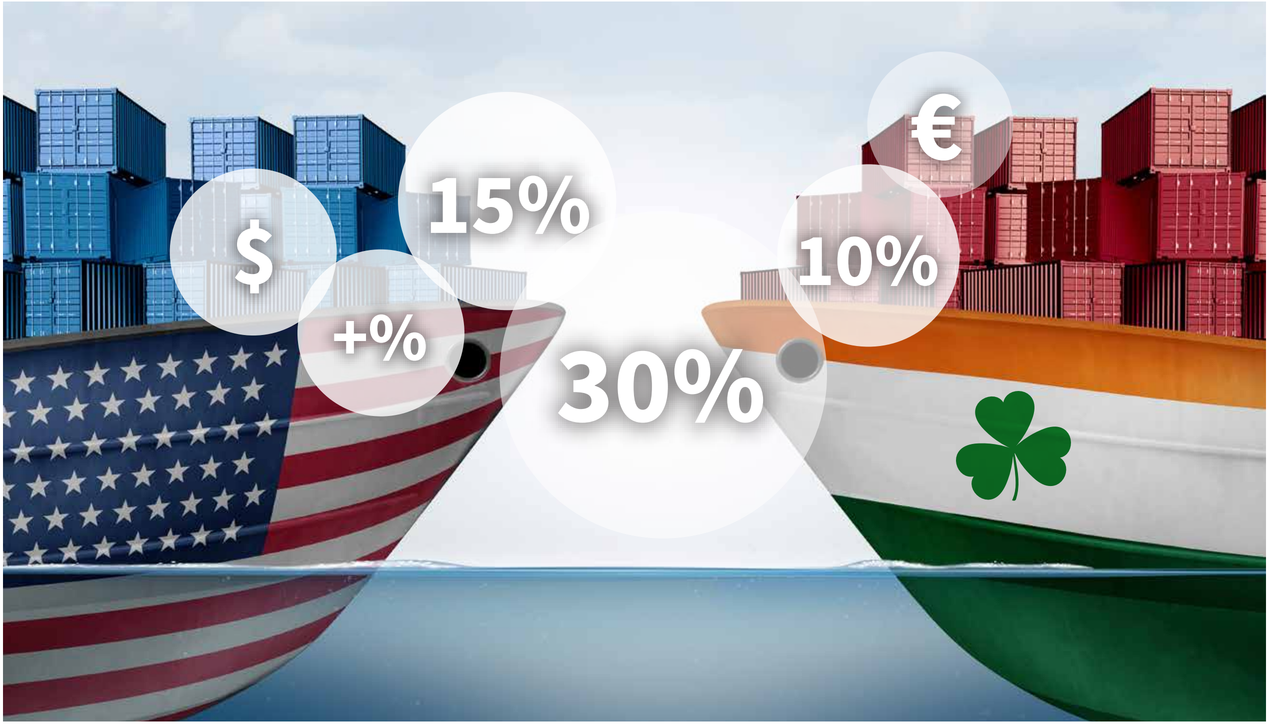
For Irish exporters in sectors such as agrifood, drinks, food processing equipment, dairy technology and machinery, the new tariffs introduce pressure on margins and pricing.

The new agreement will see the rate of 15% applying to exports who had a rate of less than 15% before the first Trump tariffs were announced in April 2025, while any exports which had a rate of greater than 15% before that announcement in April 2025 will now revert to the previous rate which was greater than 15%.

For goods which are subject to a fixed duty, such as dollars per kilogram of product, the equivalent percentage rate of duty will be calculated by dividing the duty payable by the customs value of the goods.

When is 15% less than 10%?

The EU's new 15% tariff agreement with the US is an all-inclusive ceiling, covering existing Most Favoured Nation (MFN) duties, unlike the UK's 10% rate which adds on top of MFN tariffs. In practice, this means the EU often faces a lower effective tariff than the UK. For example, EU cheese exports face a flat 15% tariff. while UK cheese exports face 10% plus the existing 14.9% MFN rate, totalling nearly 25%. While some UK products may see marginal advantages, the EU deal secures broader, more predictable market access across many key goods.



A NEW ERA OF STRATEGIC TRADE MANAGEMENT

This agreement does not end trade risk. Rather, it formalises a new, semi-protectionist status quo that businesses must actively manage. It reflects a wider trend toward managed trade between the EU and US, but also in Ireland's dealings with post-Brexit UK, and emerging supply shifts involving Asia and South America. The fact that different rates are applicable for exports from the UK to the US further complicates matters.

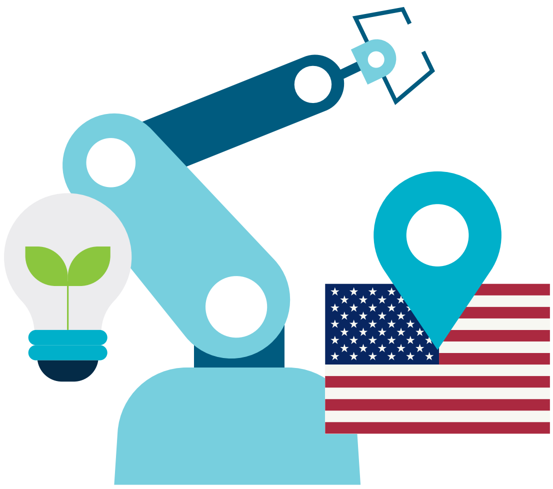
ECONOMIC IMPLICATIONS FOR IRELAND

Irish-US trade topped €72.6 billion in 2024*, with Irish agrifood and drinks and high-value agri machinery and components playing a significant role. Agrifood and drinks alone accounted for over €1.9 billion of exports to the US in 2024**. The 15% tariff may dent some subsectors but could also enhance stability and prevent future trade wars.

For businesses, the real challenge is adapting quickly. Those who embed trade resilience into their models through cost control, contract discipline, digital tracking, and proactive pricing will come out stronger.

Beyond tariffs: bigger supply chain trends

- **Reshoring and nearshoring** are back on the table. President Trump is pushing for more manufacturing to take place in the US.
- **Digital customs and compliance** mean companies need to modernise their documentation and traceability systems to ensure correct rates are applied to the correct products.
- **Sustainability and traceability** are also under scrutiny. How will EU initiatives such as Carbon Border Adjustment Mechanism fit in this new environment, will there be resistance from the US?



*Goods Exports and Imports December 2024, CSO
**Bord Bia

Eight key actions to take now

1. Reassess supply chains

Review all imported and exported products for exposure to tariffs. Assess whether pricing or sourcing strategies need to change. Our team can support supplier mapping and procurement analysis.

2. Review contracts

Scrutinise trade and distribution contracts for tariff clauses. Who bears the cost under DDP (Delivered Duty Paid) or EXW (Ex Works) terms? Consider whether revised intercompany terms or tariff pass-through language should be added in future contracts.

3. Know your margins

Do not rely on averages. Build a product-level margin map that shows where tariffs may erode profits. This can support tactical decisions on which lines to push, protect, or reprice. *Ifac* are working with a range of companies in the Irish agrifood sector to help them understand their pricing and margins better including Stock Keeping Unit level margin management.

4. Identify efficiency opportunities

Offset tariff costs by unlocking internal savings. Examine areas such as inventory management, cost-to-serve, and production yield improvements.

5. Model scenarios

Use 'what if' modelling to test the impact of tariff scenarios, cost inflation, or reduced demand. Sensitivity analysis is vital to forecast where margin pressure may surface.

6. Plan cashflow accordingly

Tariffs may mean higher upfront costs for stock, delayed margins, and stretched working capital. Cashflow forecasts should incorporate these changes, especially for companies seeking bank financing or grants.

7. Optimise customs valuation

Consider whether customs values can be lawfully reduced for example, by referencing the 'first sale price' when using intermediaries.

8. Monitor global trade movements

The US-EU agreement may set a precedent for deals with other countries or blocs. Irish businesses sourcing from or selling to Asia or Latin America should keep alert to emerging trends and tariff alignment efforts.

Supports announced due to tariffs

On August 25th the Department of Enterprise, Trade and Employment (DETE) announced two new supports through Enterprise Ireland to support client companies to assess and respond to the impact of US trade tariffs.

- Enterprise Ireland's Market Research Grant will offer funding of up to €35,000 for companies to assess the full impact of tariffs, gain market insights and develop mitigation strategies.
- Enterprise Ireland's New Markets Validation Grant will offer funding of up to €150,000 for companies to develop market entry strategies for new markets or new products.

The announcement of the supports coincided with the Government's launch of the Action Plan on Market Diversification, summarised in the table below. Ireland's export sector underpins economic growth and employment, but with changing trading relationships and heavy reliance on a small number of markets, the country can be vulnerable to global shocks, policy changes, and shifting supply chains.

The Action Plan on Market Diversification and the new grant supports announced will enable companies to assess their current position with respect of tariffs and facilitate the consideration of entering new markets and/or developing new products.

If you need help navigating tariffs and understanding what the changes mean for your business, contact the *ifac* food and agribusiness advisory team, **see details on page 41.**

Scan here to read *ifac's* supports guide

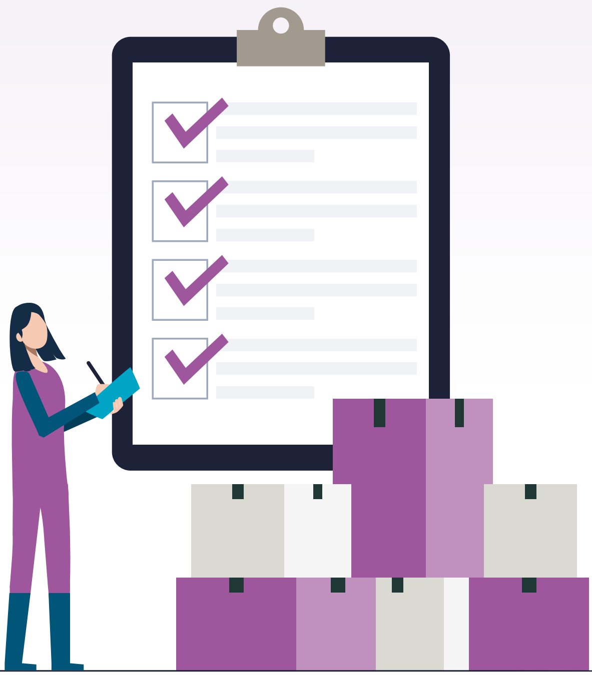
Key Supports in the Government's Market Diversification Action Plan (2025)		
Objective	**Main supports announced**	**Lead agencies/bodies**
Support exporting businesses and market access	• Market Diversification and Resilience Fund • Export credit insurance (exploration) • Enhanced Bord Bia food promotions and market studies • Tourism Ireland air access and marketing funds • Cross-border supports for SMEs	DETE, Enterprise Ireland, IDA, Bord Bia, Tourism Ireland, InterTrade Ireland
Deepen and broaden international engagement	• New Ireland Houses (London, Toronto, Lyon, Milan, Madrid) • Expansion of overseas agency offices and in-market staff • Joint Economic Commissions (China, UAE, India, Korea) • Diaspora networks leveraged for trade links	DFA, Enterprise Ireland, IDA, Bord Bia, Global Ireland
Trade & tourism missions	• Relaunched Team Ireland Trade Mission Week (Canada focus for 2025) • Additional EU and Asia-Pacific missions • Ministerial-led trade/tourism programmes (US, Europe, Japan, Korea, China) • Enhance St. Patrick's Day as a trade platform	DFA, DETE, Tourism Ireland, Enterprise Ireland
Enhance domestic readiness	• Competitiveness and Productivity Action Plan • National Semiconductor Strategy ('Silicon Island') • Life Sciences Strategy (forthcoming) • Updated Digital and AI Strategies • Expanded tax treaty network • Visa modernisation for business travel and talent attraction	DETE, Department of Finance, IDA, Enterprise Ireland, DFA

4 Exporting

ANDREW BROLLY
Fractional CFO,
ifac

With a relatively small domestic market, export is a key avenue for growth for many Irish businesses. Many of the food and agribusinesses surveyed look beyond the domestic market for sales. For 24% of respondents, more than half of their turnover is generated from export.

In 2024, the value of Irish agrifood exports increased by 5% to €17 billion*, maintaining the upward trajectory seen in previous years. This is reflected in our survey, with 56% of respondents seeing a growth in their international sales in the past 12 months.



EXPORT MARKETS AND CHALLENGES

Exporting to new markets was identified as one of the biggest opportunities for growth by over one third (34%) of businesses. However, it must be noted that the journey to international sales is complex and even more so in a year that has seen significant geopolitical volatility and tariff threats, see page 12.

Topping the list of challenges to sales outside Ireland faced by food and agribusinesses are market entry and distribution (44%), uncertainty around trading tariffs (38%) and generating sufficient margin from international sales (33%).

> **89%** **of respondents say their international sales have stayed the same or increased in the past 12 months.**

The UK (52%) and the rest of Europe (41%) are respondent's primary export markets, followed by the USA (26%). Ireland has a strong reputation and established customer relationships in these markets.

Despite Brexit, the UK has remained the largest single export market for Irish food, drink and horticulture. Exports were worth €5.9billion in 2024, a 7% increase from 2023*. Reasons for this include proximity, language and similar legal, corporate and tax systems. It is also an affluent market. If a company is considering exporting for the first time, the importance of these factors should not be forgotten.

KEY MARKETS OUTSIDE THE ISLAND OF IRELAND

UK	52%
Rest of Europe	41%
USA	26%
Rest of world	24%
Rest of the Americas	12%

BIGGEST CHALLENGES TO SALES OUTSIDE OF IRELAND

Market entry and distribution	44%
Uncertainty around trading tariffs	38%
Generating sufficient margin from international sales	33%
Market knowledge and access	29%
Logistics and supply chain	24%
Value proposition and marketing in new markets	21%
Getting the right team in Ireland and abroad	19%
Regulations and compliance in new markets	19%
Currency and financial risks	17%

**Bord Bia Export Performance and Prospects Report 2024 - 2025*

FOREIGN EXCHANGE RISK MANAGEMENT OPTIONS FOR EXPORTERS

Exporting companies are exposed to foreign exchange (FX) risk when receiving payments in a foreign currency. Volatility in exchange rates can significantly impact margins and cashflow. Despite this, 21% of businesses surveyed do not actively manage FX risk. There are several strategies available to businesses to manage FX risk:

- **Quote in Euro, get paid in Euro**
  Only trading in Euro, with all contracts, invoices and payments made in Euro is a way of avoiding exchange rate risk. While this may not always be possible, it does mean your business will not be exposed to currency fluctuations.
- **Forward contracts**
  A forward contract allows a company to lock in an exchange rate for a future date. This provides certainty over the amount receivable in the home currency and protects against adverse currency movements. Forward contracts are widely used for budgeting and pricing stability.
- **Natural hedging**
  This involves matching foreign currency inflows with outflows. For example, if a company receives payments in USD, it could source raw materials or services in USD to offset the exposure. While not always possible, natural hedging avoids financial instrument costs.
- **Options contracts**
  Currency options give the right (but not the obligation) to exchange at a set rate. They offer more flexibility than forward contracts but come with a premium. This approach suits businesses needing protection without locking in a fixed rate.
- **Foreign currency accounts**
  Opening a foreign currency account enables a business to receive and hold foreign payments without immediate conversion. This allows the company to time the exchange based on more favourable rates, if they become available, or to use the currency for future expenses.

Implementing FX policies, monitoring exchange rate trends, and forecasting exposure by market can help inform proactive hedging strategies. Consultation with financial advisors or treasury specialists is recommended. Ultimately, the optimal approach depends on transaction size, frequency, risk appetite, and internal financial capabilities. Often a blend of these tools can provide the best balance of protection and flexibility.

FX POLICIES UTILISED TO MANAGE PRICING

Only trade in Euro, all contracts, invoices and payments in Euro	30%
Natural hedging - match costs and revenue in same currency	27%
Forward contracts - lock in exchance rate today for a future transaction	23%
Multi-currency bank accounts - not a hedge, management of flows as can delay conversion to get a better rate	22%
Do not actively manage FX risk	21%
Currency options - the right but not the obligation to exchange currency at a specific rate on a specific date	7%

CASE STUDY

EASYFIX

EASYFIX is a family-owned and run company. Headquartered in Ballinasloe, Co. Galway, EASYFIX has enjoyed significant growth over the last 25 years. Ronan Boyle, Director of Business Development, talks about their export journey.

First steps in exporting

Like many Irish companies, our first export market was the UK. The similarities in farming practices and the ease of access made it a natural starting point. Rather than immediately investing in a direct sales channel, we identified a trusted partner to represent our products. This was a low-cost, low-risk entry route that proved highly effective.

Attending our first European trade show was a turning point, leading to the onboarding of dealers across multiple mainland European countries.

The role of relationships in growth

A key driver of our export success has been the physical presence of the EASYFIX sales team in target markets. By understanding different cultures, farming practices, and customer needs, we have been able to tailor our approach and strengthen distributor relationships across the globe.

Where we are today

Our key export markets are now the USA, UK, and mainland Europe, with increasing opportunities emerging in Asia and Africa. Today, exports account for 70% of our total business and that share continues to grow.

Of course, exporting comes with challenges. Currency fluctuations can be a major risk for many companies, but from the outset we eliminated that exposure by setting clear terms: Invoice in Euro, get paid in Euro.

Recently, tariff uncertainty, particularly with the USA, has emerged as a concern.

Advice for Irish agricultural exporters

Focus on building strong personal relationships, visiting target markets in person, and networking with other Irish exporters who have been there and done that. Leverage Ireland's strong agricultural reputation and make full use of supports such as Enterprise Ireland's to identify opportunities and potential partners and arrange market visits.

Scan here to read the full interview with Ronan Boyle

5 Has sustainability become unsustainable?

DR ROSIE O'NEILL
Director of Sustainability,
ifac

There is a perception that sustainability has fallen in importance since the EU 'Stop the Clock' Directive earlier this year. The Directive paused sustainability reporting for thousands of companies who had previously been ramping up preparations. However, insights from Irish food and agribusiness leaders in our annual survey paint a different picture, one of continued commitment and action even in the absence of regulatory pressure.

HOW SMEs PERCEIVE SUSTAINABILITY

Last year, 75% of businesses reported that they had either set sustainability targets or were in the process of doing so. This year, this intent has turned into action with the majority of respondents stating that they are taking more sustainability actions than the previous year. In total, 97% of businesses now report having integrated sustainability measures into their operations.

The demand for sustainability information from customers also remains robust, with 32% of respondents reporting an increase in customer requests for sustainability data and 51% reporting consistent levels of such requests.

ARE YOU GETTING MORE OR LESS REQUESTS FROM YOUR CUSTOMERS TO SUPPLY SUSTAINABILITY INFORMATION?

More requests	32%
Similar level of requests	51%
Less requests	17%

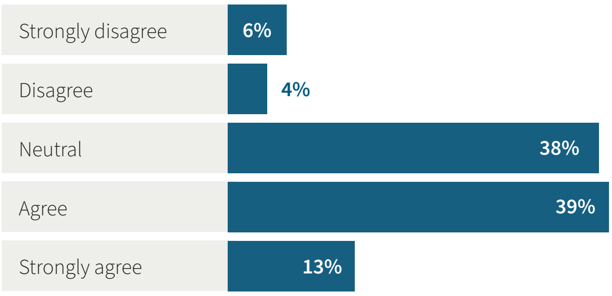
> More than **one third** of respondents have identified new revenue or product opportunities through sustainability

Despite customer demands and sustainability actions increasing, a disconnect remains. Customer expectations are growing faster than businesses' ability to translate sustainability into new products or revenue streams.

While many businesses are eager to generate strategic value from sustainability, they often lack the knowledge, tools or support to do so effectively. This challenge is reflected in the survey results. 40% of respondents reported not identifying any new revenue or product opportunities through the introduction of sustainability practices and process improvement efforts.

Progress is emerging. 20% of respondents have identified new revenue opportunities, 15% have developed new products and another 25% are actively exploring options. Over half of respondents (52%) agreed or strongly agreed that improving environmental credentials helps differentiate their business from competitors. This shows that while many recognise the strategic advantage of sustainability, there is still a need to build wider conviction and understanding across the business community.

DO YOU BELIEVE IMPROVING YOUR ENVIRONMENTAL CREDENTIALS HELPS YOUR BUSINESS STAND OUT FROM COMPETITORS?



THE BIGGER PICTURE: POLICY MAY PAUSE, BUT GOALS REMAIN

Despite shifting political dynamic and economic challenges such as the rising cost of living, the EU's long-term climate targets for 2030 and 2050 remain in place. The temporary reporting pause should not be mistaken for a retreat on sustainability. It is a recalibration.

Many businesses are already engaging in sustainable practices. Actions like reducing waste, improving efficiency, investing in people and engaging with the community are all core elements of sustainability.

TURNING INTENT INTO STRATEGY

The key challenge is understanding how to label, measure, and communicate these actions. For example, quantifying process improvements in terms of carbon savings or resource efficiency can help demonstrate value, both internally and externally.

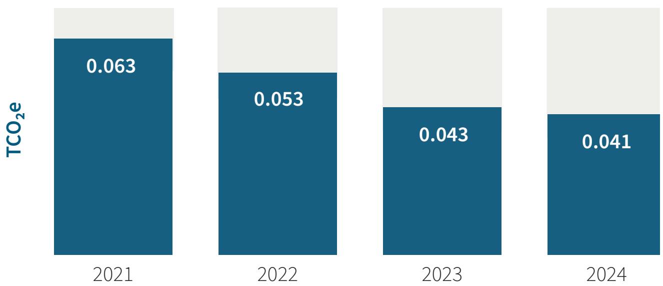
External support can play a crucial role here, helping businesses translate well-intentioned efforts into clear, structured sustainability strategies that drive value and impact.

SUSTAINABILITY – WITH PEOPLE AT THE HEART OF IT

This year marks a significant milestone for *ifac*, as we completed our first full year of recording and reporting greenhouse gas emissions across all scopes and were delighted to achieve B Corp Certification for the first time.

As a growing business, we have taken care to present our carbon footprint in a way that reflects this growth, reporting emissions per unit of revenue. This approach ensures a clear and consistent picture of our progress without distortion from business expansion. We have reduced our emissions per '000 euro revenue by 35% from 2021.

ifac **TOTAL SCOPE 1, 2 AND 3 EMISSIONS PER €'000 REVENUE**



Obtaining B Corp Status

B Corp deeply resonates with *ifac's* values. As a co-operative rooted in rural communities, environmental, social, and governance (ESG) considerations have always been embedded in our day-to-day operations. Pursuing B Corp certification gave us a structured framework to formally assess and align these principles across our organisation.

The process helped us understand the types of questions asked in sustainability evaluations, strengthening our internal practices and enhancing our ability to support clients with first-hand, practical experience.

This journey ultimately led to the establishment of *ifac's* Sustainability Department, now serving both internal teams and our wider client base.

If your business needs help to navigate sustainability and ESG, our sustainability team offers a broad range of services from carbon accounting and GHG emissions measurement to circularity assessment and roadmap development, see details on page 41.

Stay tuned for the launch of our first Annual Sustainability Report, coming soon.

6 Navigating food price increases

MAURA O'CALLAGHAN
Food Business Consultant,
ifac

Food businesses continue to demonstrate significant resilience to deal with the impact of factors such as tariffs, inflation and commodity price variability. They are operating in an environment with significant cost volatility, supply chain uncertainty and price pressure. Inflation within the food and FMCG space continued into 2025, with items such as meat, milk, butter and chocolate among the key price drivers of the Irish market increase in the past 12 months.

76% **of survey respondents have adjusted their prices to their customer in the last 12 months**

To manage commodity price volatility with customers, 57% of food businesses surveyed review and update prices on a regular basis to reflect changes in the market, the customer in this context being the retailer/supermarket or food service.

This allows food businesses to respond proactively to volatility, helping to protect profit margins. 29% use cost-plus pricing models which ensures that fluctuations in ingredient or production costs are directly reflected in the final price. Regularly sharing market intelligence and price forecasts with customers, a strategy employed by one fifth of businesses surveyed, builds customer trust and encourages transparent, market-aligned pricing.

HOW DO YOU MANAGE COMMODITY PRICE VOLATILITY WITH YOUR CUSTOMER?

Review and update prices on a regular basis to reflect changes in the market	57%
Cost-plus pricing models	29%
Regularly share market intelligence and price forecasts with customers	20%
Include clause in contract to allow for price adjustment based on commodity indices	16%
Agree on alternative raw materials or product formats in case of high volatility	9%
Provide education and training on commodity markets to customer procurement teams	6%

What is the right thing to do when price increases start impacting your food business? How are you expected to manage increases when you are communicating with your retailers, wholesalers and food service buyers?

Maura O'Callaghan, *ifac* Food Business Consultant, takes a closer look at strategies for food businesses to manage price increases.

STRATEGIC COMMUNICATION APPROACH

Lead your buyer discussions with market context, framing the discussion around the broader environment so your increases align with market wide pressures rather than being presented as isolated price increases. Share commodity price trends and input cost pressures proactively. After that, you can present comprehensive cost breakdowns showing how raw materials, energy, staffing, packaging and logistics contribute to your pricing.

For any food businesses sourcing commodities or products external to the Republic of Ireland for their food manufacturing or processing, the communication of exchange rate driven pricing requires a different approach to commodity or operational cost increases.

Ideally you should have an exchange rate mechanic built into all your pricing communication. Remember that exchange rates work both ways. It builds trust and shows fairness. For more on managing FX risks see page 17.

PROMOTIONAL ACTIVITY AND STRATEGY

It is key that if you have an existing promotional calendar or if you are planning to implement a promotional strategy that you consider your promotional plan and depth of promotions as part of your overall pricing strategy. Take the time to develop a robust promotional strategy for your food business by looking at the following,

- The frequency of your promotions.
- The depth of your promotions.
- Strategic SKU (Stock Keeping Unit) selection based on ability to absorb the promotion.
- Promoting when your commodity costs are seasonally lower.

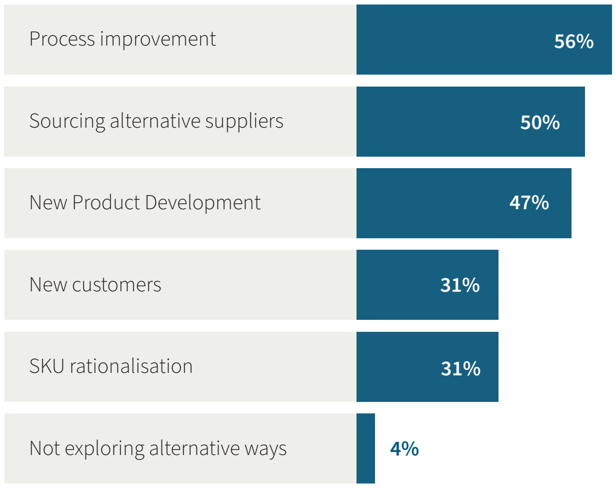
BUILD CATEGORY EXPERTISE AND CATEGORY VALUE

Build category expertise by providing market intelligence, consumer insights, and category management support. Understand the trends that are happening in the marketplace. Examine if you can add value to your buying partner through a new product or category innovation. Becoming an indispensable partner makes buyers more willing to work through pricing challenges with you. Invest in understanding your category well.

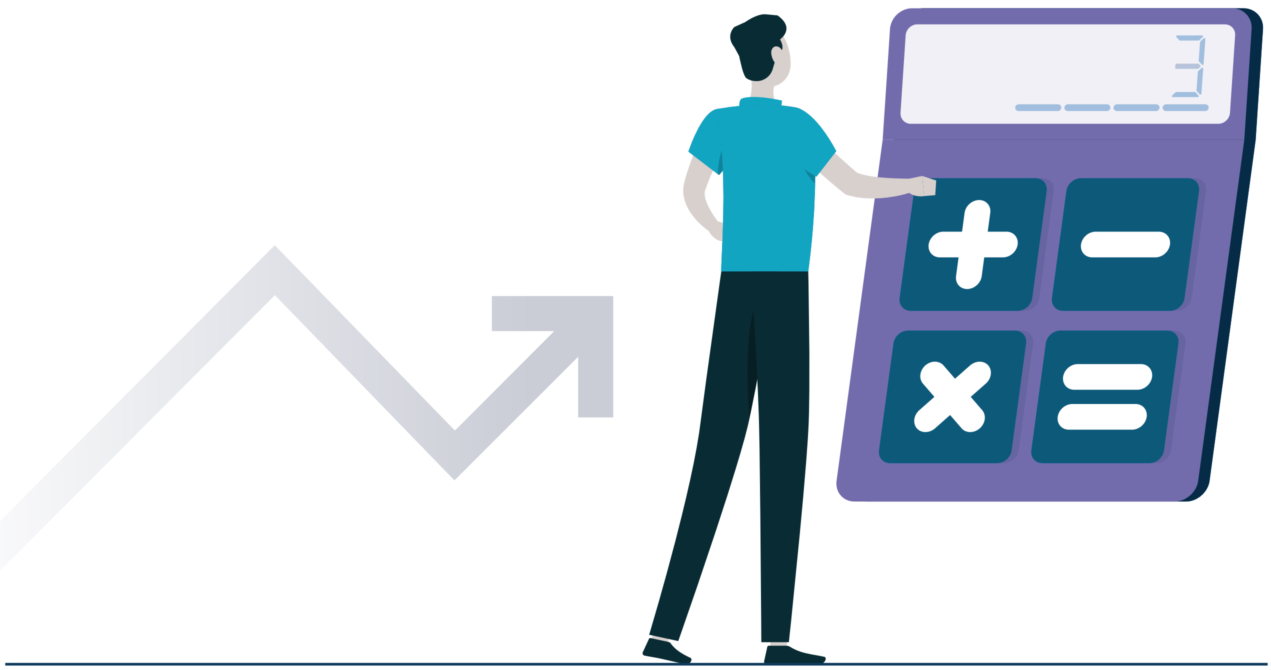
COLLABORATE WITH YOUR BUYER

Collaboration with your buyer is key to positioning difficult conversations as collaborative problem-solving rather than adversarial negotiations. Recognise that both parties benefit from sustainable, profitable relationships despite market volatility. If your buyer has been in their category for a year or more, they genuinely know their category or categories well and can give can give a good indication when it comes to product development and helping to develop the category.

ARE YOU EXPLORING ALTERNATIVE WAYS TO MANAGE COSTS INSTEAD OF PASSING ON PRICE INCREASES?



Alternative ways of managing costs should also be considered and can offer strategic advantages compared to simply increasing prices. Process improvement can reduce waste, increase efficiency and lower costs over time. These changes enhance competitiveness. New Product Development can focus on creating additional value rather than transferring cost burdens to customers.



CASE STUDY

Burns Farm Meats

Based in North Sligo, Burns Farm Meats is an eighth-generation family business producing a range of meat products for wholesale food service and retail. Cathal Burns and his brother Diarmaid have been running the business since 2022, when they took over from their father Gerald. Cathal discusses how the business has been handling price increases.

WHAT IMPACT HAVE INFLATION AND PRICE INCREASES HAD ON YOUR BUSINESS?

Inflation has had a massive impact on our business especially over the last few months as the price of beef and lamb have increased. It has made us look at the efficiency of our whole operation, from the procurement and slaughtering side of the business through to our chilling, deboning, packing and logistics.

Every cost saving measure can be used to reduce the burden on the end consumer. We have a very loyal customer base; we try to pass on savings wherever possible.

We analysed the way we were breaking down beef and lamb carcasses and tried to maximise each part to generate as much as possible from each animal. We have begun to build a database of each animal we debone, looking at the breed, age, weight (pre and post slaughter), the farm the animal has come from and the meat yield. This information helps us to make better informed decisions when buying cattle and lambs for the business.

HAVE YOU HAD TO ADJUST THE PRICE TO YOUR CUSTOMER IN THE PAST 12 MONTHS?

We have had to raise the prices of all our products. We had to re-negotiate a number of government contracts at the start of the year because of how fast the price of beef increased from January to April. Increasing prices to wholesale and food service businesses was not an easy subject to broach with our customers. Going and sitting down with them to explain the current market makes it easier for them to understand.

We have put a huge emphasis on our costing and pricing as we have had to raise our prices to stay profitable. We have a limited number of products so we cannot operate a margin mix strategy to keep our price to the customer low in that way, so keeping in constant contact with our customers is vital.

ARE YOU EXPLORING OTHER METHODS OF MANAGING COSTS INSTEAD OF PASSING ON INCREASES TO THE CUSTOMER?

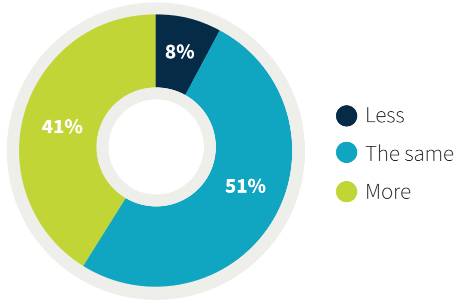
We are currently carrying out an operational and financial review of the whole business with *ifac*. We have stopped slaughtering pigs and processing wild game to concentrate on beef and lamb. This has allowed us to increase the volume we can get through the plant. We have also changed the way we debone carcasses enabling us to slaughter double the amount we could do 12 months ago, in half the time. In this industry efficiency is everything. We have invested in lean six sigma training for all our staff. At Burns Farm Meats we are huge believers in investing in our staff. Concentrating on safety first and foremost and really analysing the way we carry out daily tasks has led to operational efficiency and a large reduction in waste.

Your business is only as good as the team you have working with you. We work closely with *ifac* on accounts, payroll and marketing as well as the current financial review project. One thing that stands out with the team in *ifac* is that there is always someone at the end of the phone to run an idea by or ask for advice. They were a real support to us at the beginning of the year renegotiating some of our large contracts when beef prices spiked. Working with *ifac* since we took over the business in 2022 has given our business structure. We are really seeing the benefits now the business is experiencing huge growth.

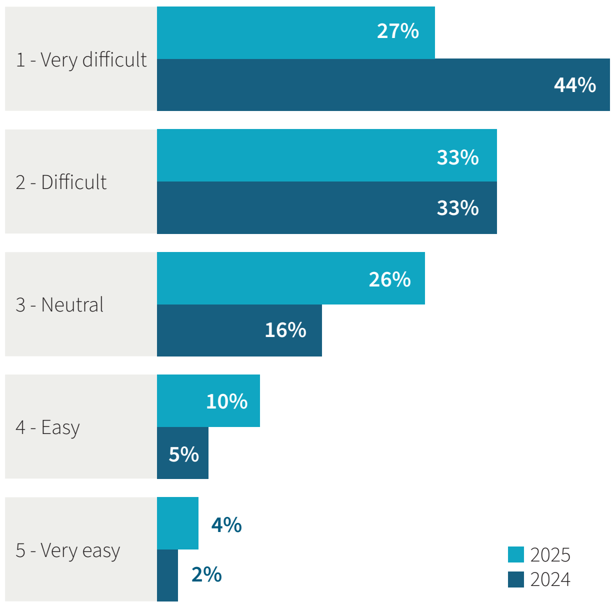
7 People and culture

Recruitment plans remain broadly in line with 2024 with 41% of businesses surveyed planning to increase the size of their workforce in the next 12 months, up 2 percentage points from last year (39%). While recruitment and retention are still challenging, there is an improvement in sentiment from last year. 60% of business owners are finding recruitment difficult, this figure is down from 77% in 2024. 23% of business owners are finding it difficult to retain staff. This represents a 34% decrease from 2024.

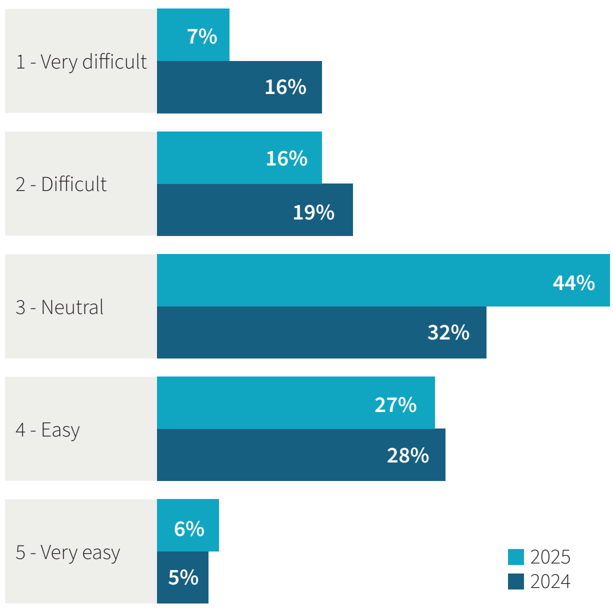
EMPLOYMENT PLANS OVER THE NEXT 12 MONTHS



HOW EASY OR DIFFICULT IS IT TO RECRUIT THE PEOPLE YOU NEED TO RUN YOUR BUSINESS?

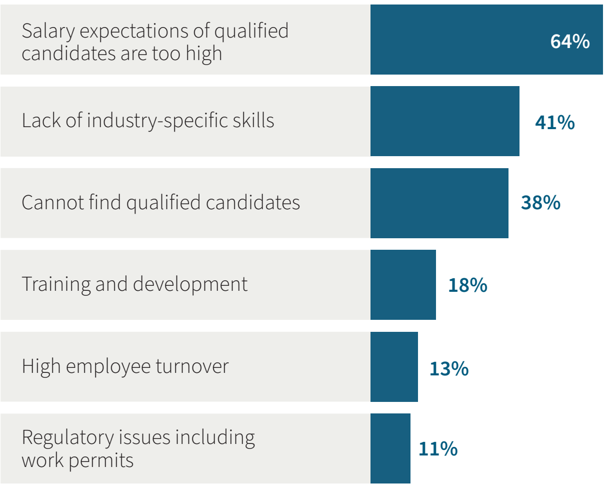


HOW EASY OR DIFFICULT IS IT TO RETAIN THE PEOPLE YOU NEED TO RUN YOUR BUSINESS?



The key challenges faced by businesses when building a team include salary expectations of qualified candidates being too high, lack of industry-specific skills and finding qualified candidates.

WHAT ARE THE KEY CHALLENGES YOU ARE FACING WHEN BUILDING A TEAM?



HOW TO REMUNERATE KEY EXECUTIVES TO KEEP THEM IN THE BUSINESS

With finding qualified candidates a challenge for 38% of respondents, when you find good people, you want to keep them. *Ifac* recently worked with an agribusiness company to develop a remuneration and progression plan to retain key executives and to ensure staff salaries across the business were fair. Here are some incentives that can be used to help retain employees in the business:

COMPENSATION

Understanding the market rate for job positions and aligning your compensation accordingly will help to attract talent and reduce staff turnover.

To determine market rates, benchmark against the industry and consider factors such as location, experience and job responsibilities. This can be done by looking at published salary guides and online job postings on sites such as LinkedIn and Indeed.

It is recommended to review annually to ensure competitiveness and recognise increased responsibilities.

BONUS STRUCTURE

A strategic bonus system can help enhance the attractiveness of an employer and increase employee satisfaction.

The Small Benefit Exemption Scheme allows employers to provide a tax-free bonus of up to €1,500 to employees in a non-cash form, like gift vouchers. Many businesses offer this around Christmas time to all employees, regardless of performance.

Having a bonus tied to performance in place as well can help to drive performance. This bonus would be a set percentage of the employee's salary and reliant on their achievement of a set of KPIs which benefit the business.

For more senior staff, a Long-term Incentive Plan (LTIP) could be considered. Share-based reward schemes can offer a tax-efficient solution for employers to attract and retain key talent. These schemes typically involve relatively modest initial costs while significantly boosting employee commitment and motivation, helping to enhance profitability and reduce employee turnover.

Typical share schemes include:

- Growth shares: Allow senior staff to benefit from the appreciation in company value above a set threshold, thereby ensuring rewards are only realised if the business performs strongly over time. There are no inital tax implications for the employee because there is no 'value' in what you give them now. The value is only earned from future company value growth.
- Restricted shares: This involves giving the employee shares which they cannot sell for a pre-agreed period of time. Putting these kinds of conditions on share awards can significantly reduce the overall value for tax purposes (and consequently any associated tax costs) while still providing ownership incentives to employees.
- Forfeitable shares: If the employee leaves the company as a bad leaver (exits under unfavourable circumstances), then the employee loses the right to any such shares. The primary purpose of forfeitable shares is to protect the company.

KEITH O'ROURKE
Tax Consultant, *ifac*

'Many of these share schemes deliver concrete tax advantages, such as employer PRSI savings. Options like restricted shares (with 'clog' periods i.e., the period of time they are restricted for) and growth shares encourage long-term ownership and align employee interests closely with company performance. Employers can also leverage programmes like KEEP (Key Employee Engagement Programme) to defer income tax in favour of capital gains tax, making equity rewards both impactful and cost-effective.'

For further information on how share schemes could benefit you and your employees, contact the *ifac* tax team, see details on page 41.

ANNUAL LEAVE

An attractive annual leave policy is an often underrated but powerful tool for employee retention. Ways of enhancing your organisation's annual leave policy include offering above-statutory annual leave or allowing employees to buy additional annual leave.

Many organisations also operate a policy of early finishes on a Friday during quieter months or early finishes on a Friday in general. Employees make up for the time difference during the busier months or during the week. Such initiatives provide a great benefit to employees while having little impact on the employer.

OTHER BENEFITS

Beyond competitive salaries and bonus structure, companies also need to offer attractive benefits to stand out. Benefits include health insurance, retirement plans, sabbatical opportunities and flexible work arrangements where possible. Staff wellbeing initiatives such as Digital Doctor access and a birthday day off can also be introduced.

For guidance on attracting talent and retaining key employees contact the food and agribusiness advisory team, see details on page 41.

Wage Transparency Act

Are you aware of the Wage Transparency Act 2026?

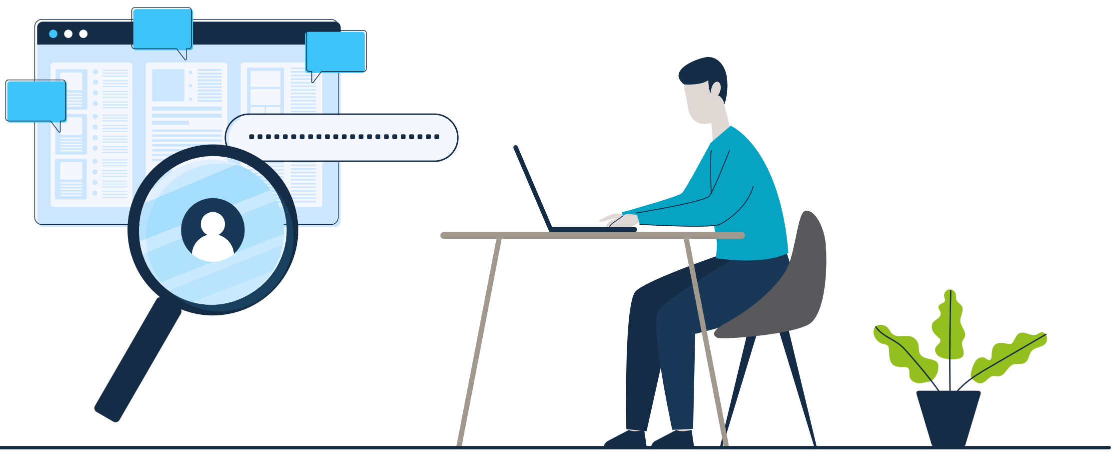
The Wage Transparency Act 2026, also known as the EU Pay Transparency Directive, aims to enhance pay transparency and promote equal pay. The Directive must be transposed into Irish law by June 7th 2026. More than half of survey respondents (54%) are aware of the new Act, with 29% preparing for its implementation.

Key features of the Bill include:

- **Right to pay information**
  Employees will have a new right to receive information regarding their individual pay level and the average pay levels, broken down by gender for categories of workers performing the same work as them or work of equal value.
- **Prohibition on pay secrecy**
  Employers will no longer be permitted to prohibit employees disclosing their pay.
- **Pay transparency for job applicants**
  Job applicants will have the right to receive information about the initial pay level or its range for a position in a published job vacancy or before an interview.

MARY MCDONAGH
Head of HR & Payroll Services, *ifac*

'Employers should take steps now to ensure compliance. With the deadline approaching, organisations should review and align their pay policies and practices with the new requirements.'



8 Valuing and selling your business

TOM MURRAY
Director, Friel Stafford
(A subsidiary of *ifac*)

Selling a food or agribusiness takes planning and preparation. Businesses in these sectors often have unique features such as seasonal production, strict regulations, and strong relationships with suppliers and customers. To get the maximum sales price, a business owner needs to follow a clear process to prepare the business so that it is market ready.

The first step is to be clear on why you are selling. Common reasons can include retirement, health issues, partnership disputes, succession planning, or the need for new investment to grow the business. Knowing your reasons helps you set realistic goals for price and terms.

PREPARING THE BUSINESS FOR SALE

Buyers look for strong financial performance, a capable management team, a broad customer base, and reliable supply chains. It is key to reduce any reliance on you as the owner, fix operational issues, and ensure accounts, tax records, and contracts are all in good order.

Many sellers now choose to do 'vendor due diligence', which means carrying out the checks a buyer would do, but before the business goes to market. This helps to uncover problems early and makes buyers more confident, often speeding up the sale as the buyer can put weight on a third-party professional firm's review.

VALUING YOUR BUSINESS

How many business owners truly know what their company is worth? The reality is you do not know the exact value until it is tested on the open market, where a willing buyer and seller agree on a price.

However, having an approximate value in your head is important when planning a sale. Valuing a business is a specialist task that requires expert knowledge and experience, it is worth engaging advisors to carry out this work.

For food and agribusinesses, valuations often focus on 'Future Maintainable Profits' (FMP). This involves reviewing recent profits, adjusting for any one-off costs or revenues, and applying an industry multiple. While a range of four to six times earnings is often suggested, the exact multiple depends on the company's track record, unique features, and growth potential. Other valuation methods, such as discounted cashflow or net asset value, can also be considered.

Importantly, buyers often pay more if the business has something unique, such as a strong brand, secure supply chain, good management team or the ability to scale up production quickly. It is important to factor this into the multiple.

FINDING A BUYER

When you are ready to sell, your advisor will prepare marketing material. A short 'teaser' document highlighting the opportunity anonymously without giving away sensitive details is sent to potential buyers. Potential buyers can be sourced from existing management teams, industry competitors, financial investors, or private individuals.

Parties who express an interest are then asked to sign a non-disclosure agreement before being sent a detailed information memorandum (IM) to protect the seller's interest. The IM gives serious buyers a full picture of the business including financials, market position, and growth prospects. The intention is that a professionally run marketing process will lead to a competitive sales process with more than one interested party, generating the 'heat' that will lead to better prices and terms being achieved in the sale of the business.

NEGOTIATING A SALE

Agreeing a price is only part of the deal. Negotiating the deal structure is an equally key step.

Some buyers prefer an asset sale, where they only buy the parts of the business they want. Others may buy all the company shares, taking on all assets and liabilities.

Other factors include the payment term. These can include cash, performance related deferred payments, or earnouts linked to future performance. Early tax planning is essential, reliefs such as Retirement Relief or Entrepreneur Relief can significantly reduce capital gains tax.

Once a preferred buyer is chosen, they will carry out detailed due diligence, looking closely at finances, contracts, compliance, and operational risks.

In food and agribusiness, checks often focus on food safety, environmental standards, and land or property issues. Using secure data rooms and having advisors manage the process helps keep it efficient. After due diligence, the final legal agreements are signed, and ownership transfers.

> *"Ultimately, many sales fail or lose value because the business was not prepared properly for sale, tax planning was left too late, or the owner became distracted from running day-to-day operations. We always advise that you start early, get professional advice, and keep your focus on running the business at its most efficient until the deal is done."*

Eight pitfalls vendors should avoid when valuing and selling their business

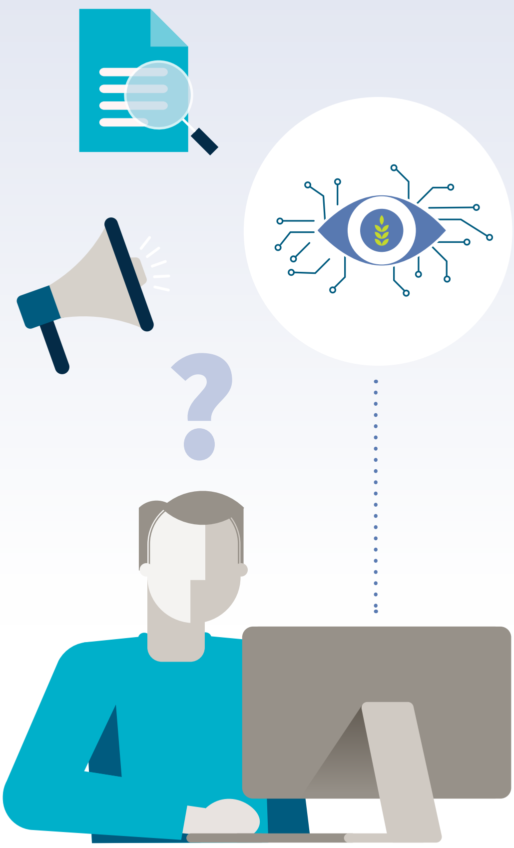
LAUREN WALL
Corporate Finance,
Friel Stafford
(A subsidiary of *ifac*)

At the end of the day, while selling your business is a major financial decision, it is also about handing over relationships with suppliers, customers, and employees. With good planning and the right support from your advisors, you can achieve a smooth transition and get the best return for your years of work.

1. **Over reliance on owner, key shareholder or member of staff**
   If the business depends too heavily on one person, buyers may see risk in continuity.
2. **Lack of preparation for sale**
   Missing financial records, weak operational systems, or incomplete due diligence packages reduce buyer confidence and price.
3. **Poor or late tax planning**
   Not structuring the sale to minimise tax liabilities early on can cost significant value.
4. **Taking your eye off the business during the sale process**
   Falling sales or profits while marketing the business signals risk to buyers.
5. **Customer concentration risk**
   Relying on a small number of customers can scare buyers, as losing one could threaten viability.
6. **Overstated or 'one off' sales**
   Buyers discount valuations inflated by exceptional or non recurring revenue spikes.
7. **Complex shareholding or legal structures**
   Untidy ownership or unresolved shareholder disputes create uncertainty and may delay or kill deals.
8. **Failure to seek professional advice**
   Going without experienced M&A, tax, and legal advisors often results in undervaluation or poor deal terms.

9 AI in food and agribusiness

It is now three years since ChatGPT was launched. In that short time, artificial intelligence (AI) has gone from a novelty in the workplace to an everyday tool for many. Our 2025 *ifac* Food and Agribusiness Report survey shows a clear rise in AI adoption. Yet business owners and leaders admit there is still confusion about what AI can actually do. The challenge for many SMEs we work with is no longer 'should I use AI?' but 'how do I use AI to make a real difference to the business in a safe way?'

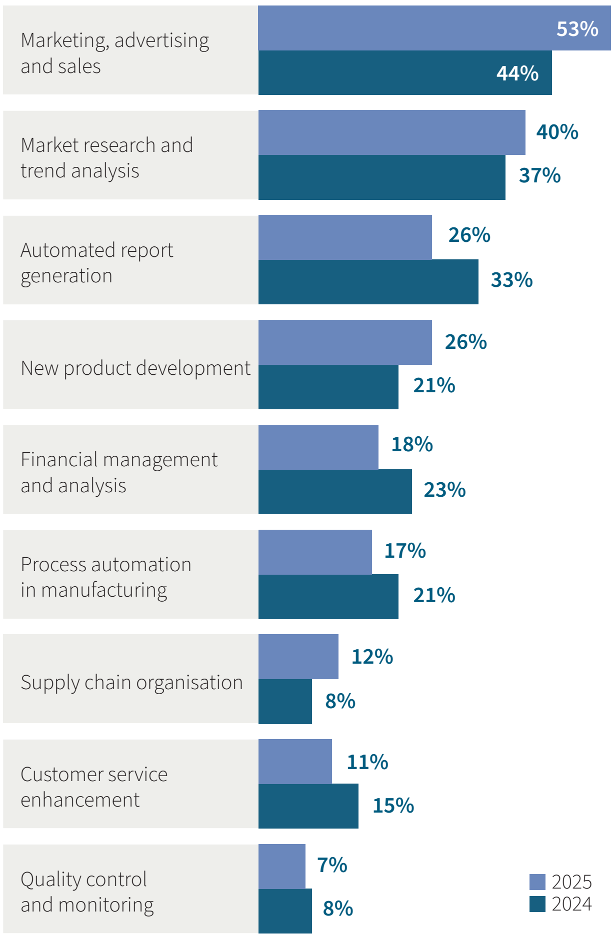


WHERE AI IS BEING USED

The survey shows that marketing, sales and advertising are now the biggest uses of AI in the sector. In 2024, 44% of businesses were applying AI here. In 2025, that figure rose to 53%.

Market research and trend analysis is also climbing, from 37% to 40%. Most striking is new product development, which jumped from 21% to 26%. On the other hand, use of AI for financial management and analysis slipped from 23% to 18%, while automated report generation fell from 33% to 26%.

PRIMARY USES FOR AI WITH FOOD AND AGRIBUSINESSES



CONFUSION AND GUARDRAILS

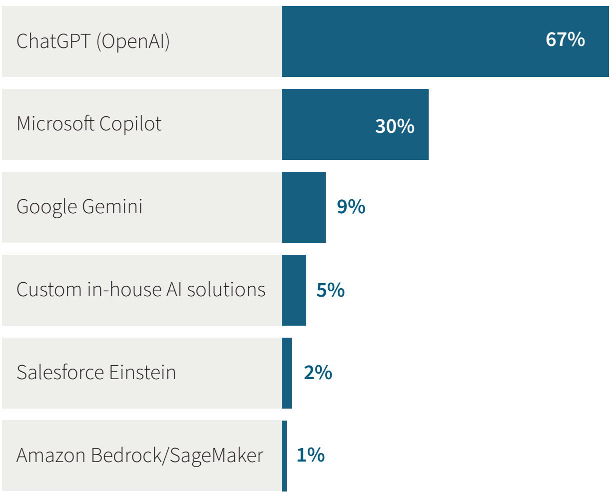
Even senior people in the organisations surveyed for this report are unsure how to navigate AI. Many use tools like ChatGPT or Microsoft's Copilot. However, our survey shows that fewer than one in three leaders describe themselves as 'very confident' when it comes to using AI for sensitive tasks such as handling data, making decisions, or producing financial analysis.

> **77% of business leaders are using ChatGPT or Copilot**

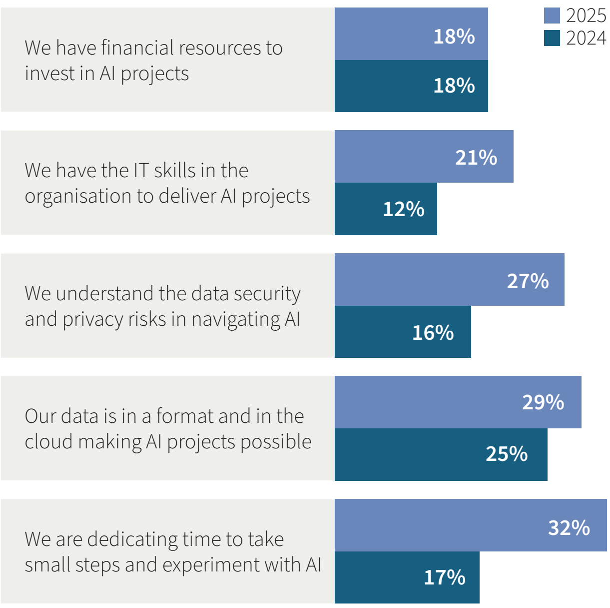
This reflects one of the biggest challenges, AI is powerful, but it also 'hallucinates'. It can make up convincing but incorrect answers. This is important, not least because teams across the sector are already using AI whether it is approved or not. From drafting emails to preparing presentations, staff are experimenting with these tools. If there are no rules, they may use them 'on the sly', creating risks around accuracy and data security.

The solution is not to ban AI, but to put guardrails in place. Decide what tools are approved, what data can be shared, and how AI outputs should be checked. Clear rules build trust and protect your business.

AI USAGE AMONG BUSINESS LEADERS IN THE FOOD AND AGRIBUSINESS SECTOR



CONFIDENCE LEVELS AMONG BUSINESS LEADERS IN AI



LOOKING AHEAD

The 2025 survey highlights that AI use in food and agribusiness is expanding, especially in areas linked to growth and innovation. Secondly, there is still uncertainty and risk, which leaders must address.

What should SME owners and managers do next?

1. Acknowledge reality, your team is already using AI.
2. Put in guardrails, approve tools, set rules, and train staff.
3. Focus on processes, redesign how work gets done, not just the IT system.

AI is not a magic switch, but it is a powerful tool. Just as the internet transformed business in the 2000s, AI will soon be embedded in almost every piece of software. The question for food and agribusiness leaders is not *if* AI will reshape your sector, but *how quickly you will adapt*.

By approaching AI with both curiosity and caution, food and agribusiness leaders can turn today's confusion into tomorrow's competitive advantage.

CASE STUDY

MartEye

Earlier this year, MartEye, a client of *ifac* working in the agtech sector planned on hiring a senior software engineer. They have halted the hiring process and also reduced their dependency on third-party developers in favour of co-development with AI agents to ship features faster and of higher quality while avoiding a €120k cost to the business (salary, PRSI, pension, expenses, training etc.). This highlights how AI is really making a business impact. One of the founders, Ciaran Feeney said, *"The new tooling, as a result of rapid developments in AI, has allowed developers to ship faster and non-developers to ship a certain level of code which was never possible before".*

10 Driving business transformation through strategic marketing

JAMIE LEONARD
Director of Agribusiness,
ifac

Irish food and agribusinesses are facing major change. Costs are rising, customer expectations are shifting and digital technology is reshaping how people buy and engage with businesses. In this context, marketing cannot just be an afterthought or a series of short bursts of activity. It needs to be at the core of a business strategy that unlocks growth potential.

THE PITFALLS OF A REACTIVE APPROACH

This year's survey reveals that two in five businesses have no formal marketing strategy or rely on a reactive approach. This highlights a major business transformation gap. Too many businesses remain focused on day-to-day activities rather than long-term strategy, restricting their ability to scale and grow.

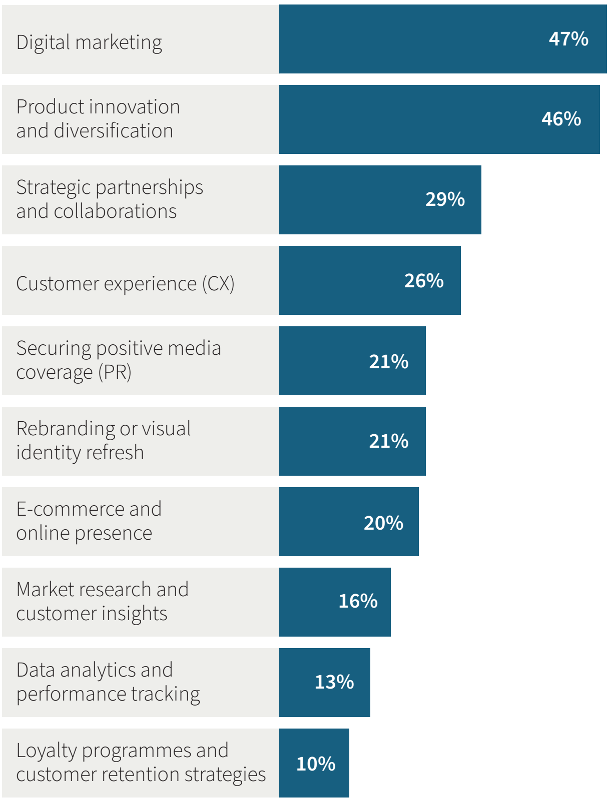
The evidence is clear from companies who execute year-round marketing strategies. Those who treat marketing as a driver of business transformation are the ones finding new customers, generating additional revenue from existing customers, building stronger brands and positioning themselves to grow in a competitive industry.

WHICH OF THE FOLLOWING BEST DESCRIBES YOUR CURRENT MARKETING STRATEGY

Clear, year-round marketing strategy aligned to business goals	33%
Basic marketing plan focused on key sales periods	21%
No formal marketing strategy	21%
Take an ad hoc/reactive approach to marketing	19%
Data-driven marketing strategy with performance tracking and ROI measurement	5%

Almost half of businesses in our survey say they are prioritising digital marketing (47%) and product innovation (46%) over the next two years. Others are looking to strategic partnerships (29%), rebranding (21%), and e-commerce (20%) as routes to growth. These are positive signals, but without a clear strategy, many of these investments risk being piecemeal. Surprisingly, just 10% of businesses are prioritising customer retention, a reminder that the fundamentals of loyalty and repeat business are often overlooked in the push for short-term activity.

WHICH AREAS ARE YOU PRIORITISING FOR BUSINESS GROWTH?



AVRIL COLLINS
Marketing & Communications Consultant, *ifac*

Avril Collins, Marketing & Communications Consultant, *ifac*, has these top tips for food and agribusinesses:

1. **Know your customer better than anyone else.** Start by talking to your customers and asking for feedback. You cannot market meaningfully if you do not know what they are looking for.
2. **Build a brand, not just a presence.** A logo or social media page is not enough. Your brand is how people feel when they interact with you. Everything from signage to packaging to tone of voice contributes to that feeling.
3. **Use storytelling to build loyalty.** Customers connect with people, not products. Share the 'why' behind your business - your values, your people. This builds trust and helps your brand stand out in a crowded market.
4. **Consistency is more powerful than creativity.** While flashy campaigns can grab attention, there is power in being consistently visible and valuable. Regular updates, predictable posting schedules, and aligned messaging make a bigger impact long term.

URSULA KELLY
Managing Director, Cormac Tagging

CASE STUDY

Cormac Tagging

Cormac Tagging, a family-owned agri-technology company based in Tuam, Co. Galway, has built a strong reputation as one of Ireland's leading providers of animal identification solutions. Like many ambitious agribusinesses, the company recognised the need to move beyond a reactive approach to marketing and instead place it at the centre of their growth strategy.

'Last year was a pivotal moment for our business. I knew we needed to sharpen our focus and reach new customers in a more consistent way and through working with ifac we were able to do just that' Ursula explains.

Working with *ifac*, the company developed and executed a targeted autumn campaign aimed at dairy farmers. The results were immediate and measurable, Cormac Tagging significantly grew its market share in just one season. The impact went beyond sales. The campaign marked a shift in how Cormac Tagging viewed marketing. No longer a set of activities delivered around seasonal peaks, it became a driver of long-term growth and a central part of the company's strategy.

'That campaign didn't just deliver numbers, it changed how we think about marketing. It showed us the power of clear, strategic communication and the difference it can make across the whole business,' says Ursula.

Since then, the company has continued to work with *ifac* on broader business transformation projects. Ursula's advice to others in the sector is clear, *'Marketing is core to driving business growth, it's not good enough to be reactive anymore. My advice is to surround yourself with the right advisors and keep focused on the bigger picture.'*

By embedding marketing into the fabric of the business, Cormac Tagging is positioning itself for long-term success. The focus is not only on driving sales but also on building a trusted brand that connects with farmers in Ireland and international markets. This case demonstrates how a clear marketing strategy, consistently executed can be a catalyst for business transformation.

11 Forensic thinking: a strategic safeguard for your business

PATRICK D'ARCY
Head of Forensic Accounting,
Friel Stafford
(A subsidiary of *ifac*)

As businesses in Ireland continue to deal with a range of economic threats, now is the time to ensure that key internal control processes and procedures are in place and operating effectively against threats from fraud and theft.

What is a Forensic Accountant and how can they help my business?

A forensic accountant is a specialised accountant that assesses, identifies and quantifies losses as a result of issues such as breach of contract, negligence, fraud, theft, misappropriation of funds and shareholder disputes.

DETECTING AND PREVENTING FRAUD IN THE FOOD CHAIN

In periods where costs of business are increasing due to inflationary and other economic impacts, unscrupulous individuals may seek to maximise their profit by producing inferior goods or reducing quality and quantity mix for products. This helps to lower the cost of manufacture and maintain equivalent profit margin.

Abuse of agreed rates

By way of an example, grain prices, particularly for wheat and barley, vary based on whether the grain is dried or 'wet' (i.e., freshly harvested) and the specific type of grain. One such case of fraud related to the delivery of grain to a factory in the southeast of Ireland, whereby the producer of grain acting in collusion with an insider working within the factory provided the higher rate per tonne classifying grain as dry when in fact it had been freshly harvested.

In this instance, the fraud was identified by another supplier who had complained that the price for his grain, despite being of a better quality, had received a lower rate per tonne. It was subsequently discovered that the factory had suffered losses for a number of years as a result of arrangements outside of the normal rates for grain between several suppliers and unscrupulous individuals within the business.

Use of inflated invoices

Invoice fraud can be used to misappropriate funds from a business. There was a case where an external logistics company and the customer transport manager colluded with each other to apply inflated price rates to an agreed rate card for the cost of transport and delivery of food products around Ireland and internationally.

Following a detailed review and forensic analysis of delivery dockets compared with shipped products and weigh-station records, clearly identified major discrepancies in tonnage and rates. The investigation identified losses of €4.2m over 3 years where proper checks and controls were not being fully applied.

In industries with low or tight margins, like agribusiness and food processing, the importance of checks and controls cannot be over emphasised.

STRESS TESTING BUSINESS RESILIENCE

Modern, bespoke financial and management information reporting systems have increased capabilities. They can provide tailor-made reports for management in relation to the level, frequency, value and types of products and goods processed, together with cost per unit (c.p.u.) of delivery as well as detailed despatch information. Such reports invariably are filed and rarely reviewed and analysed in detail or comparisons made with last month or last year's outputs. Such comparisons will often identify where cost variances exist.

Generally, owner and business manager's key focus will be on the quality of their products and levels of customer satisfaction. While a business may appear to be performing successfully, a forensic accountant can look at other aspects of the business where costs appear to be out of line with expectations. The identification of cost and revenue variances will often assist in identifying where vulnerabilities might exist. It can help to determine whether existing internal controls need to be strengthened or if there is a need to introduce additional segregation of duties within key departments or business areas.

Similarly, rotating personnel between departments or business areas can also ensure no one person has ultimate control for an end-to-end process such as the ordering, authorisation and payment of expenses or the invoicing, receipting and banking of funds. It also helps to develop wider business knowledge and experience. During periods of uncertainty, businesses should ensure cashflows and risk assessments are revisited to ensure that the identified key variables prevalent in such assessments have not changed.

BUILD IN FORENSIC THINKING EARLY

In times of economic volatility and uncertainty around input costs, climate shocks, people shortages, and geopolitical instability there is an increased fraud risk due to unscrupulous individuals seeking opportunities while the focus of business owners/managers are turned towards dealing with external market factors.

It is much more cost-effective to be proactive by engaging a forensic accountant to assist in identifying and preventing an issue, rather than having to be reactive in assessing a loss from an issue. Insight from a forensic accountant from past failures can often inform clients of the need for better systems and controls

Do not wait until an issue occurs. If you have a concern seek advice now before you or your business is a victim.

> *"The investigation identified losses of €4.2m over 3 years where proper checks and controls were not being fully applied".*

12 Smart succession planning

For many family-run businesses succession is not a one-off event but a long-term strategy. As businesses expand and diversify, the tax implications of passing business assets to the next generation can become significant, especially where valuable companies are involved.

SUCCESSION PLANNING

Businesses with a clear succession plan in place has been broadly consistent since this sentiment tracker began in 2018. This year's figure of 23% is the same as last year and is an increase from lows of 14% in 2023.

There has been an increase this year in businesses who have not considered succession planning from 22% in 2024 to 32% in 2025. However, it has gradually improved over time, from highs of 53% in 2018.

Similarly, we see in this year's survey that succession planning is on the agenda for 23% of businesses this year, compared to 34% in 2024. Again, while this is a regression from last year, there has still been a gradual improvement compared to early years of the sentiment tracker.

It is positive to see the improvement over time in the mindset towards succession planning. While it is a challenging process, sensible succession planning can lead to substantial tax savings and provide clarity for all parties involved.

SUCCESSION PLAN IN PLACE

Not on agenda	32%
On agenda but no successor	23%
Clear succession plan	23%
Successor identified but not tied down	18%
Do not know	4%

BUSINESSES WITH A CLEAR SUCCESSION PLAN IN PLACE

2025	23%
2024	23%
2023	14%
2022	24%
2021	25%
2020	22%
2019	19%
2018	17%

BUSINESS RELIEF

Business Relief offers a way to substantially reduce Capital Acquisitions Tax (CAT) on the transfer of qualifying business assets, provided strict conditions are met. However, relief can be lost where companies have accumulated passive income or investment assets, something common in mature family businesses.

WHAT IS BUSINESS RELIEF?

Business Relief reduces the taxable value of qualifying business assets by 90% for CAT purposes when transferred by gift or inheritance. For example, a child inheriting shares in a company valued at €1 million may only face tax on €100,000, potentially bringing the liability within the €400,000 Group A threshold.

To qualify:

- The company must be wholly or mainly trading.
- The shares or assets must be held for at least two years before the transfer.
- The recipient must retain the assets for six years, or the relief may be clawed back.

Relief can be denied where a company holds surplus cash, rental income, investment properties, or non-trading assets, even if the core business remains active.

CASE STUDY

Restructuring for full Business Relief

We recently advised a family with a substantial business in the agrifood sector. The assets were held through a corporate group that had gradually accumulated significant investment assets. Over time, the group acquired commercial properties, surplus cash, and passive income streams. This creates a risk that Business Relief could be denied on the future succession of the group holding company.

To address this, *ifac's* Tax Team led a restructure that split the business into two distinct groups:

- One holding only the qualifying trading activities, and
- The other ring-fencing the non-qualifying investment assets.

This separation ensured that, when the business eventually passes to the next generation, Business Relief can be claimed in full on the trading group, protecting most of the value from CAT. The restructure also helped align future control with the family members involved in day-to-day operations, while allowing others to benefit from investment income separately.

Although succession occurs on death, completing the restructure during the disponer's lifetime allowed the family to tidy up the group in advance

TIMING AND INTERACTION WITH AGRICULTURAL RELIEF

While this case involved a non-farming agri business, many family groups also own farmland. It is critical to understand that Agricultural Relief and Business Relief interact and the order of transfers matters, due to the asset test included in Agricultural Relief.

MARTY MURPHY
Head of Tax, *ifac*

Essentially, the assets of the farm successor at the date of the gift or inheritance, must comprise of at least 80% agricultural assets. As a result, transferring the farm first is often essential to preserve Agricultural Relief. Reversing the order and transferring non-agricultural assets to the successor first, will generally prevent the asset test being satisfied. As a result, entitlement to Agricultural Relief is lost.

PRACTICAL LESSONS

Business Relief is generous but fragile. It is not enough for a business to be trading 'in substance'. It must also avoid holding excessive investments or surplus assets that tip the balance. Where businesses have evolved over time, or include legacy properties, a group restructure may be necessary to preserve relief.

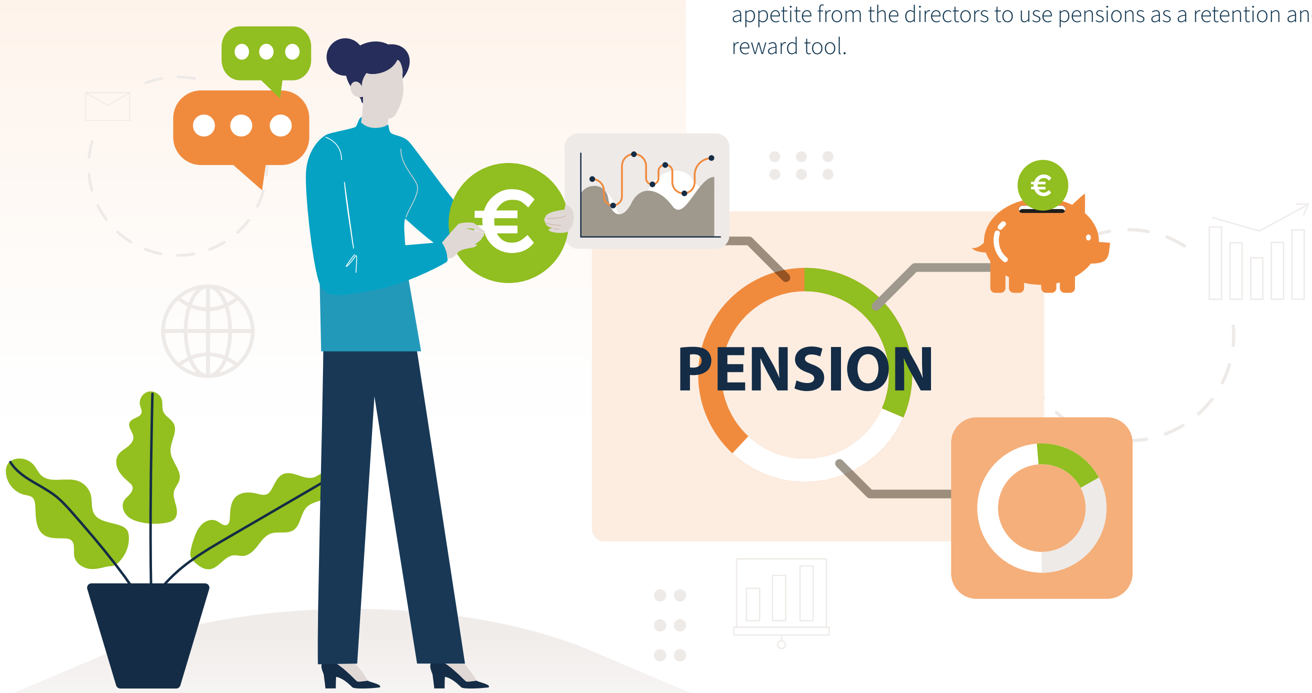
Early, proactive succession planning makes all the difference. In this case, the restructure ensured that the family could transition ownership efficiently, minimising the tax liability arising, protecting the family business.

Early succession can preserve harmony for the next generation involved, firstly by providing certainty as to who will inherit what, as well as giving some time for successors to prepare and adapt to management of the family business. The timeframe provided by early planning can be used to acquire investments to equalise the inheritance position for any family members who will not be involved.

13 ‘Should we rely on Auto Enrolment (AE), set up an occupational pension, or consider a mix of both?’

MARTIN GLENNON
Head of Financial Planning, *ifac*

In advance of the upcoming Auto Enrolment (AE) rollout in January 2026, it is important that employers understand what AE will mean for them and their employees.



CASE STUDY

One of our long-standing clients, an Irish manufacturing firm with 34 employees, approached our financial planning team with a question that will become increasingly common: *‘Should we rely on Auto Enrolment (AE), set up an occupational pension, or consider a mix of both?’*

The company, established 12 years ago, has a loyal, mostly full-time workforce. Several staff are in their 50s with long service, while others are recent hires. About a third earn above €40,000. Their finance director was clear: any decision must be fair, financially sustainable, and flexible enough to evolve.

INITIAL ASSESSMENT: UNDERSTANDING THE WORKFORCE

Our first step was to profile the workforce:

- **Headcount:** 34 employees
- **Age Range:** 22 to 61
- **Earnings:**
  - — 60% earn €30k–€40k
  - — 30% earn €40k+
  - — 10% below €23k
- **Service:** 8 employees have 10+ years’ service
- **Turnover:** Low, most employees stay long-term
- **Current Pension Provision:** None
- **Payroll & HR capacity:** In-house payroll team with ability to manage deductions

This profile already hinted that AE might not be the best standalone solution. Several employees earn enough to benefit from marginal rate tax relief. Others would value flexibility in contributions and early retirement options. There was also an appetite from the directors to use pensions as a retention and reward tool.

Option 1: **Auto Enrolment only**

AE would automatically enrol 28 of the 34 staff (those over 23 and earning above €20,000). Contributions would start at 1.5% of salary from employer and employee, rising to 6% by year 10. The State would add a 25% top-up to the employee contribution.

Advantages:

- No admin, the scheme is run by the State.
- No trustees or scheme management.
- Meets statutory obligations.
- Predictable, phased cost increases.

Drawbacks:

- No tax relief for employees (State top-up instead).
- Employees cannot increase contributions.
- No early retirement (benefits locked until State Pension Age).
- Limited value for higher earners or long-serving staff.
- Flat structure, unable to differentiate benefits across roles.

Option 2: **Occupational pension scheme**

We explored a group defined contribution occupational pension. This could be tailored, allowing contribution levels to vary by role or tenure, with full tax relief for employees and greater lump sum potential at retirement.

Advantages:

- Full marginal rate tax relief on contributions.
- Early retirement from age 50 (on leaving employment).
- Larger tax-free lump sums (up to x1.5 final salary).
- Investment choices for employees.
- Greater control over cost and scheme design.
- 2-year vesting period to retain employer contributions for short-term service.

Drawbacks:

- Requires scheme governance (trusteeship or external provider).
- Slightly more administrative involvement.

Option 3: **A hybrid approach**

Finally, we considered a split model:

- Set up an occupational scheme for 24 core staff (full-time, long-term, higher paid).
- Allow remaining employees (e.g., seasonal or part-time) to use AE.
- Ensure AE compliance only where required.

This solution allowed the firm to target pension resources where they mattered most, senior, loyal staff, while meeting legal requirements for the rest with minimal cost and admin.

Decision: Occupational pension + AE buffer

After careful modelling, the employer opted to establish an occupational pension scheme covering 26 staff (including some part-timers who requested to join voluntarily). AE will remain in reserve for new hires or those not joining the main scheme.

- **Employer contribution:** Starting at 5% for all members, rising to 7.5% for staff with 10+ years' service.
- **Employee contributions:** Matched 5%, voluntary AVCs allowed.
- **Governance:** External trustees via provider.
- **Admin:** Payroll integration with support from *ifac* adviser.

Rationale:

1. **Better value for staff**, especially those in the 40% tax bracket.
2. **Flexibility**, contributions and investment choices are adjustable.
3. **Retention tool**, recognises long service and seniority.
4. **Cost control**, predictable contribution tiers.
5. **Compliance-ready**, AE will still apply for any uncovered employees.

Conclusion: Do not default to AE

AE is a positive step but it is the statutory floor, not the gold standard. For employers with more than 10 staff, particularly those with experienced employees or growth ambitions, an occupational scheme or well-structured PRSA arrangement may deliver far greater long-term value.

What matters is clarity, on your staff profile, your business goals, and your appetite for engagement. With the right structure, employers can go beyond compliance and build a pension framework that rewards, retains and reflects the true value of their team.

***ifac's* Financial Planning and Payroll teams can help you to navigate Auto Enrolment and choose the right pension route for your business, see page 41 for details.**

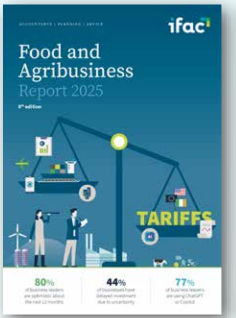
Selected Contributors to the Report

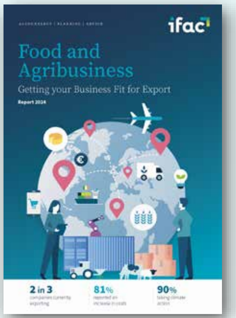
We gratefully acknowledge the valuable input of all the companies who contributed to this report by responding to the *ifac* Food and Agribusiness sentiment survey. This is a non-exhaustive list of contributors.

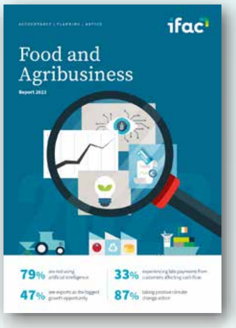
- Adare Veterinary Clinic
- Agri Data Analytics Ireland
- ALFCO Farm Services Ltd
- Alltech
- aOranta
- Ballykilcavan Farm and Brewery
- Bimeda
- Brady's Coffee Company
- 41 Bread
- Brett Brothers Limited
- Britvic
- Carbery
- Censortec
- Clarke Machinery Group
- Clóna Cork Dairy
- Cooney Furlong Grain Company
- Cormac Tagging
- Cotter Farm
- Dairygold
- Dromone
- Dungarvan Wild Honey
- Dunphy's of Annestown
- Fane Valley
- Forcefield
- Funky Monkey Foods
- Grá Chocolates
- Grantstown Tomatoes
- Grasstec Group
- Highfield
- Howard Farms
- IAM Agricultural Machinery
- IFFPG
- Kerry
- Killowen Farm
- Kilmullen Farm
- Local Power
- Easyfix Livestock Comfort
- Loughran
- MartEye
- Molaga
- Moonsyst Cattle Monitoring
- Mullinahone Co-op
- Munster Bovine
- North Cork Creameries
- O'Connor Julian Veterinary Hospital
- Oishii Sushi
- On the Pig's Back
- Pearse Lyons Distillery
- Pearson Milking Technology
- Pottinger
- Shannon Vale Foods
- Silicate
- The Skibbereen Food Company
- Soma Tech
- Stonewell
- Strathroy
- Teegan's Treats
- Tirlán
- XLVets
- Zoetis

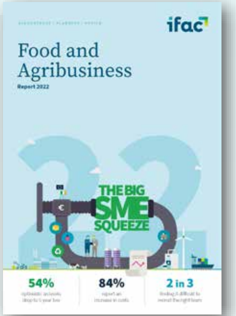
Methodology: The 2025 *ifac* Food and Agribusiness sentiment survey fieldwork took place during July and August 2025. The 2025 research is the 8th wave of this study, following initial benchmarking in 2018 and subsequent surveys in 2019, 2020, 2021, 2022, 2023 and 2024. A total sample of 136 was achieved. The survey sample was divided into Sole Trader (6%), Micro, under 10 employees (32%), Small, 10-49 employees, (29%), Medium, 50-250 employees (20%) and Large, 250+ employees (13%), enterprises. A range of business size by turnover is included, with 71% having revenues up to €20m and a range of larger turnovers of €20m+, accounting for 29% of those surveyed.

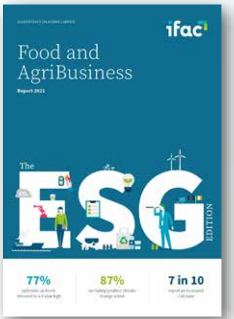
Ifac Research and Reports

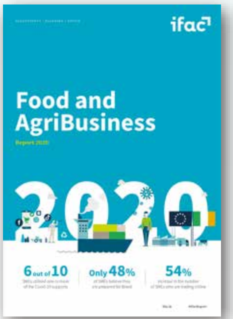




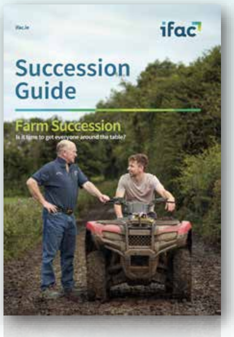








FROM THE *IFAC* TEAM



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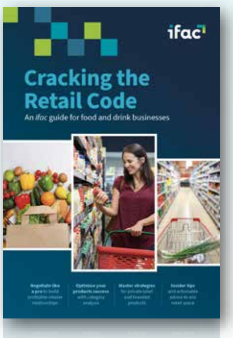

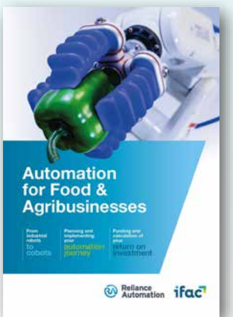

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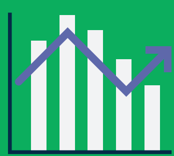

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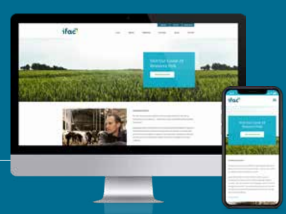

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