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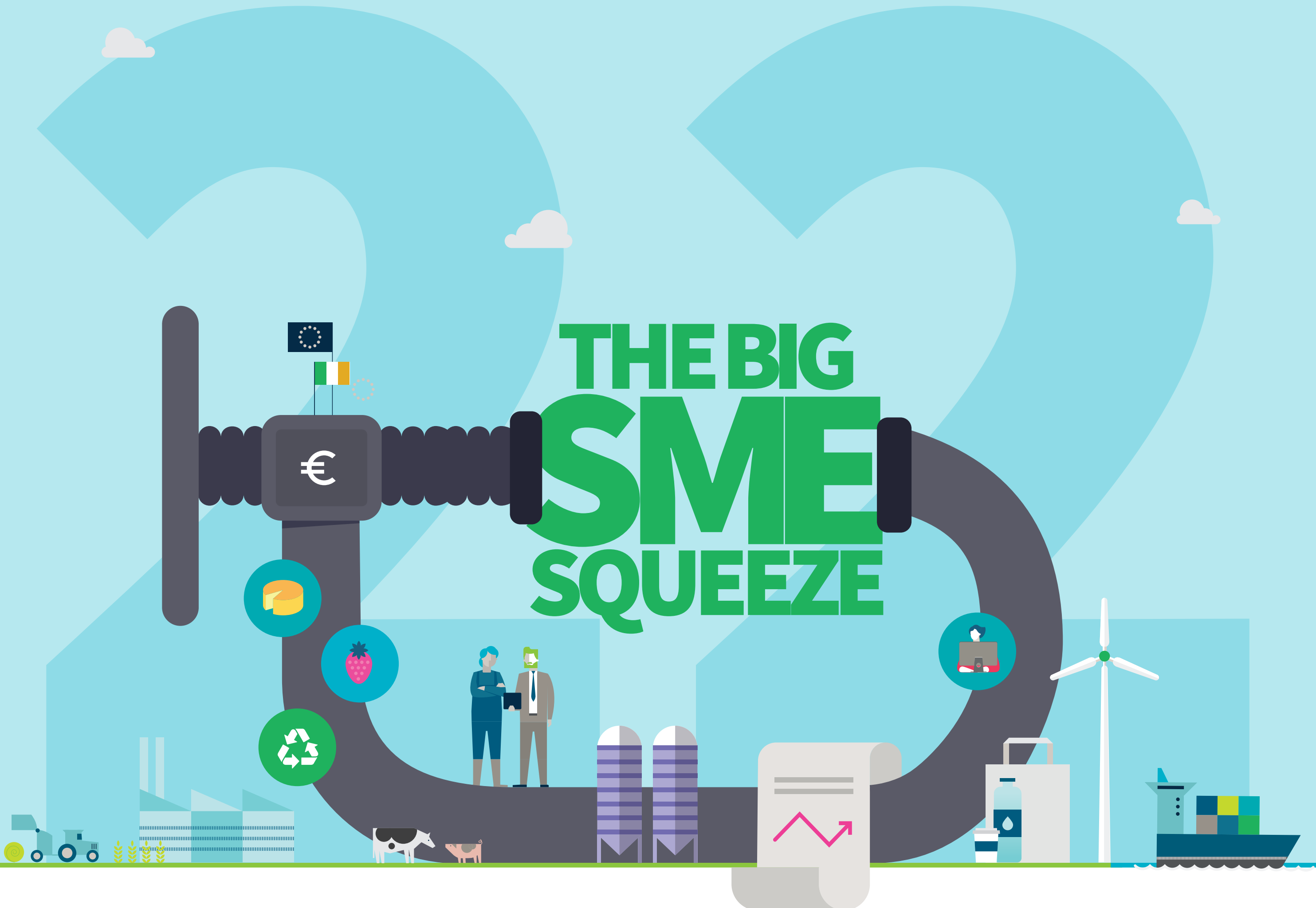
Food and Agribusiness

Report 2022



54%
optimistic as levels drop to 5-year low

84%
report an increase in costs

2 in 3
finding it difficult to recruit the right team

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Tangible steps win out throughout turbulent times

Welcome to our 2022 Food and Agribusiness Report aptly titled 'The Big SME Squeeze'. Our annual temperature check across the Irish food and agribusiness sector, detailed within these pages, shines a light on the big economic issues for businesses of all sizes and their impacts, most especially felt by our SMEs.

JOHN DONOGHUE
CEO, *ifac*

There is no denying that it's tough out there right now. In the aftermath of the global pandemic and with the ongoing Russia-Ukraine war, the list of challenges facing many Irish food and agribusinesses is immense. It includes increased input costs, rising inflation levels, difficulties in supply chains and recruitment, drought across Europe, warnings of a recession in the British economy, and a very real cost-of-living crisis including soaring energy bills and hikes in the price of staple groceries.

It is no wonder that our survey has revealed the lowest levels of optimism across the sector in five years and yet it also demonstrates the responsiveness, resilience and 'can do' attitude of many of our food and agribusinesses. In particular, those that are focused on the future and the huge potential for the sector and predicted Irish food sales in the coming years, especially given Bord Bia's plans to increase Irish exports to around €800m within three years.

At *ifac*, we specialise in several key areas which provide you with expert advice and services to help your business grow. Our 2022 Food and Agribusiness Report not only reveals what's happening across the sector but it is also a great tool with lots of valuable insights and advice to assist businesses throughout this volatile time. It contains a variety of case studies with replicable ideas, a list of all the relevant supports available to your business, and a wide range of advice. For example, from how to implement price increases, protect your business when interest rates are rising and raise funds in changing times, to managing your margin, easing staff shortages and building awareness for your brand.

In my foreword last year I touched on the importance of having a clear business plan. Given all the uncertainties businesses are facing this year, and with only 20% of our survey respondents using the strategy they developed, planning can't be overlooked. It is a vital component for the long-term sustainability of any business. A big part of surviving tomorrow, and being able to realise the full potential of this sector, is planning today, and it's a worthwhile investment that needs both time and focus.

Another way of futureproofing your business and overcoming the challenges as they appear on the horizon is Research and Development (R&D). Our report shows that almost half of Irish food and agribusinesses do not invest in formal R&D yet in recent years R&D has played a key role in the growth of our overall domestic economy. And, with the increasing globalisation of the economy, there is an opportunity now for businesses to think more internationally.

When it comes to climate change, we all know that we need to play a part to reduce Ireland's total emissions by over 50% by 2030, by altering our practices and embracing new technologies. Our survey shows that 88% of Irish food and agribusinesses, across all sizes and types, are taking climate change action, with the majority prioritising the management of waste and by-products.

While one of the main themes in our 2021 report was Environmental, Social and Governance (ESG), the focus on this area is down this year owing to the more immediate present challenges. But as the climate change snowball rolls on, businesses need to be mindful that customers will seek out their ESG credentials and that ESG planning will become an increasingly important part of every successful food business or agribusinesses' overall defence.

At *ifac*, we have many more ways to help you to protect and grow your business during these turbulent times, ultimately so that Irish and international consumers can enjoy the very best products Ireland has to offer. Our award-winning food and agribusiness advisors are just a phone call away.

My thanks to David Leydon and his team and to everyone who contributed to our 2022 Food and Agribusiness Report.

We hope you enjoy it.

John Donoghue

Optimism reduces as costs increase, inflationary pressures and staffing challenges bite

This is the fifth year of the *ifac* Food and Agribusiness Report. It gives readers a comprehensive view of the Food and Agribusiness SME sector. These companies are a vital part of the rural economy and encompass some of the most innovative agtech companies as well as many of the food brands that Irish consumers love. This is the only report which is focused exclusively on Irish food and agribusiness SMEs.

DAVID LEYDON
Head of Food and Agribusiness, *ifac*

This year's findings show that Irish food businesses and agribusinesses expect that the coming year will be much more difficult despite managing to respond positively to the challenges posed by the Covid-19 pandemic. This is highlighted as our *Optimism Index* plummets to a five-year low. Only 54% of business leaders are optimistic about the coming year, a drop of 23-percentage points on last year (77%). To summarise the key reasons why business owners are being squeezed;

1. **Input costs** are increasing at a far faster pace than anytime in the last 5 years. For example, of those companies who experienced input cost increases, 43% had increases of 21% or higher in the last year. To maintain margins, price increases will be needed and in a food context this will pose some difficultly as retailers compete aggressively and consumer confidence declines.
2. With disrupted **supply chains** the cost of stock management has risen dramatically. For many businesses they are holding twice the amount of stock and consequently both space and capital are tied up. An example of this is Killowen Farm, the yogurt and cream cheese business, who now have to hold double their historic volume of packaging, as lead times lengthen from suppliers in the UK.
3. Staff are getting more difficult to **recruit and retain** with salary expectations increasing significantly. In a society where working from home is increasingly valued by employees, this option is often not available in a food business or agribusiness given the hands-on nature of the work. Our experience with clients also shows that employer branding is not something which is as developed as in other sectors. This is a missed opportunity as we are lucky to work in a sector with real purpose – we feed people. Our Finnegan's Farm case study is an interesting exploration of how using YouTube and storytelling can change the perception of your workplace and lead to a very strong employer brand with a robust pipeline of talent.
4. **Brexit** continues to cause problems with travel disruption, tariffs, regulatory changes and reduced access to raw materials from the UK as lead times and costs increase.
5. Finally, **interest rates** are going to increase and this is on the mind of business owners who are heavily leveraged.

However, our research also shows that business owners are responding to these challenges. They are actively managing the situation by taking cost saving steps, implementing price increases, managing contracts with both buyers and suppliers and actively focusing on cashflow management.

Elsewhere in the report, we see 88% of SMEs are taking environmental actions with the management of waste and by-products, sustainable packaging, and energy-saving initiatives top of the list.

From a food perspective, eco-friendly, health and local provenance are still key trends that dominate planning and development within food companies. Food service has made a big comeback as Covid-19 restrictions eased, with this route to market jumping from 16% to 32% in terms of importance. Retail in all its forms remains the main route to market at 48%.

Succession is still not on the agenda for 50% of business owners. Not giving it thought, no interest from next generation and no clear successor are all barriers. While succession planning is complex, it is disappointing to see that 40% of owners have no Will.

This year we've included some interesting case studies which highlight different elements of a food and agribusiness company journey:

- **Cormac Tagging** – Ursula Kelly's story on the MBO of the family business as part of succession plan.
- **Finnegans Farm** – using YouTube to recruit a great team.
- **Killowen Yogurt** – using multiple routes to market to grow the business including contract manufacturing to enter the German market.
- **Easyfix** – an international success story with some gems of wisdom for companies exporting their product.
- **Goatsbridge Trout** – how capital investment is building their environmental and economic sustainability.
- As well as agtech companies who are making an impact; **Micron Agritech** in animal health, **Marteye** in online agri sales in Ireland and the UK, **Pearson Milking Technology** in dairy parlour technology and **Terra NutriTECH** through the use of minerals to improve animal health.

Our interview with Enterprise Ireland CEO, Leo Clancy, our case studies and report findings are here to give business owners an opportunity to reflect on how your business is comparing with your peers. This should act as a trigger for action.

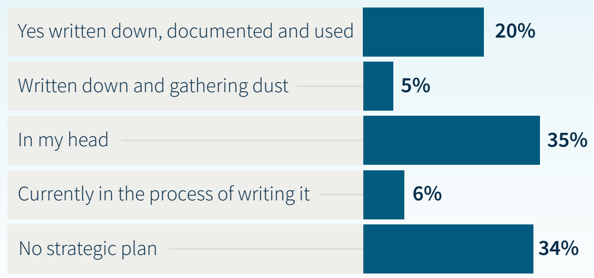
Finally, we are privileged to work with some ambitious, high performing SMEs. We are very proud of the role Irish food businesses and agribusinesses play across rural Ireland. We hope you find our annual report an enjoyable and informative read.

Strategic planning

Having a strategic plan written down and in use remains low. Just 20% of respondents are using the strategy they developed, while a further 6% developed a strategy, yet it is gathering dust. 35% of business owners say the organisation's strategy is in their head.

As an organisation scales and looks to build a management team, we strongly believe that developing a strategic plan is important. Taking a step back, working on the business not in the business is vital. Larger businesses place a lot of emphasis on planning – SMEs need to invest more in this part of business growth.

DO YOU HAVE A CURRENT STRATEGIC PLAN IN PLACE?



THANK YOU

I'd like to thank the wider *ifac* team, and in particular my own team for the work they put into this report. We would also like to thank Leo Clancy, CEO, of Enterprise Ireland for his time and valuable insights. To all our other contributors, a big thank you from all in *ifac*: Ciaran Feeney, David Pearson, James Maloney, Jim Fitzsimons, Lloyd Pearson, Mags Kirwan, Nicholas Dunne, Padraig Hennessey, Paul Finnegan, Ronan Boyle, Sean Smith and Ursula Kelly.

Get in touch

We would be delighted to hear about your experiences of the trends that are impacting your business and how *ifac* can support you as you grow and prosper. We are focused on the food and agribusiness sector, understand the challenges and are committed to helping the sector grow over time.

Our team of specialists along with our corporate finance, tax, accounting, financial planning, HR and payroll services, and audit teams work with SME businesses as a trusted partner. We understand your sector and will engage with you in an ongoing and meaningful way.

So, keep in touch or email **davidleydon@ifac.ie** to be included on our mailing list.

@ifac_Ireland
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ifac-Ireland
#ifacreport

Key Takeaways

OPTIMISM

54%
optimistic
as levels drop to 5-year low.

COSTS

63%
of respondents cite rising costs of raw materials as the biggest threat to growth.

84%
of respondents reported an increase in costs this year.

75%
of businesses are examining ways to cut costs while **65% are planning price increases.**

BUSINESS PERFORMANCE

82%
of companies have maintained or increased their turnover in the past 12 months.

RECRUITMENT

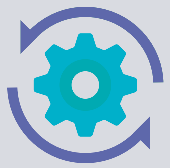
2 in 3
find it difficult to recruit the right people.

EXPORT

The Republic of Ireland remains the primary market for food and agribusinesses as rising freight costs create the biggest export challenge.

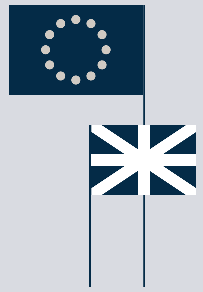
STRATEGIC PLAN

26%
have a written strategic plan in place.



BREXIT

Transport disruption and **increased costs** are the biggest impacts of Brexit.



PERSONAL FINANCE

69%
do not have a personal finance or wealth plan in place.

40%
of respondents do not have a Will.

DIGITAL TRANSFORMATION

Only
3 out of 10
businesses are trading online; consistent with 2021 results.

TRENDS

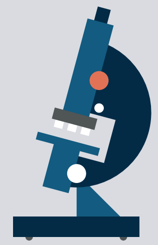
Eco-friendly behaviours, health benefits and local provenance are the top trends impacting Irish food businesses.

SUCCESSION

1 in 2
businesses have no succession plan in place.

RESEARCH AND DEVELOPMENT (R&D)

46%
of businesses do not invest in formal R&D.



BANK FINANCE

1 in 4
businesses have tried to access bank finance in the past 12 months.

90%
were successful.

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"As a very big food producer, Ireland has a major role to play in contributing to global food supply"

Leo Clancy is the Chief Executive Officer of Enterprise Ireland, the State agency that helps Irish companies to start, grow, innovate and win export sales in global markets. Before being appointed to the role in May of 2021, he led the Technology, Consumer and Business Services sector as well as IT, Marketing Communications and Corporate Services at the IDA Ireland, and was a member of the Executive Management team. In this discussion with *ifac's* **David Leydon**, he covers a wide range of topics of interest to food business owners and the broader agritech sector.

When speaking with Leo, you get a strong sense of a person who is excited about what he is doing. He starts our conversation talking about the ambition of Enterprise Ireland (EI) and the role that the organisation plays for food businesses and agribusinesses in Ireland, pointing out that these two sectors represent nearly half the export potential that EI is involved with. "These sectors are hugely important. They are a very big employer, and a mainstay of many rural communities throughout Ireland."

THE FUTURE OF FOOD

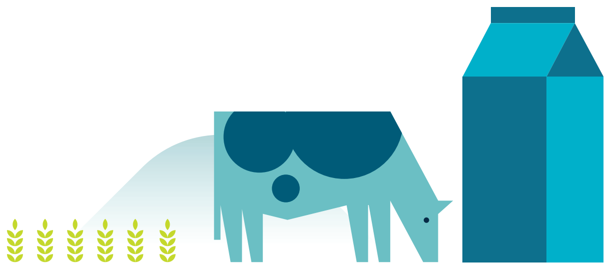
Touching on the food sector first, Leo highlights the role Ireland has globally as a major food producer. "In terms of our ambition for the sector, we need to remind ourselves that we operate in a global economy which is facing significant food shortages. As a very big food producer, Ireland has a major role to play in contributing to global food supply. I believe that we can continue to up our output levels in a sustainable way. We already contribute hugely to global nutrition at a very high standard. We can continue to grow our food and agri output sustainably."

Under Food Vision 2030, there are clear environmental targets to be met but Leo also notes the commercial opportunities for businesses as part of this strategy. "Food Vision 2030 sets out where we're heading as a nation. I believe that as methods become more sustainable, what we do today will also become more sustainable. We also need to continue to journey towards adding more value – and this will be an interesting part of our journey towards 2030. Ultimately, adding value is the best way of commanding more margin."

"We've got steady numbers signing up for our high-potential startup programme, but we're confident we can do more here in terms of numbers. We've got a tremendous amount of food expertise out there, but I suppose the problem with food – from a venture point of view is that there's a lower return and margins, lower scaling and greater investment needed. But we can't accept this as being written in stone - we have to remember that the likes of Glanbia and Kerry were small companies once!"

In terms of what particular aspect of food development most excites Leo, the answer is simple – it's innovation. "We obviously have a number of very successful companies who've made their fortune based on innovation, but there's still an awful lot of potential left. The notion of sustainable green food products is very exciting."

"The flip side of this is the challenge posed by global warming. As food becomes scarcer, Ireland's responsibility in the area of global nutrition will become even more acute. As a country, we've always taken our social global responsibilities seriously, and I'm expecting this to continue in the area of food production."



Leo Clancy and David Leydon

He is also positive about the growth of nutraceuticals but believes that the food and pharmaceutical sectors are not talking to each other enough. "EI can add some glue in these areas, but the industries themselves need to recognise the opportunities that lie in synergy between themselves."

SUPPORTING THE AGRITECH ECOSYSTEM

Enterprise Ireland are backing the agritech sector. They have taken considerable measures recently to enhance the ecosystem. "On the agritech side, there's definitely a huge scope for high-potential startups. There's more to do in this area, and it has probably been left outside of our standard tech system to some extent. Going forward, I think software and smart hardware will be very important. It doesn't always have to be about hardware sales, and if you can sell 'as a service', it allows you to scale up very fast."

EI have recognised that integration with other sectors is key to growing agritech and they are taking steps to facilitate this collaboration. "I think one of the things we need to focus on is making greater connections between agritech companies and the wider tech ecosystem. And one of the ways we'll make this happen is simply focusing on it more. In that respect, I think we sent out a big signal in the appointment of James Maloney. He's our Senior Development Adviser, Agritech, Climate and Sustainability and his appointment certainly made people look again at what we're up to."

> "I think one of the things we need to focus on is making greater connections between agritech companies and the wider tech ecosystem. And one of the ways we'll make this happen is simply focusing on it more."

"We've already made a big investment in agritech, notably through things like the CeADAR Centre – which is the National Centre for Applied Data Analytics & Machine Intelligence. This can be availed of by the agritech sector as quickly as any other. There's nothing particularly unique about agritech, it's simply another technology."

Leo's view is that agritech can help the wider agricultural sector on the journey to reducing emissions by 25%. "It needs to be applied to more and more elements of our traditional methods, and this will be vital if we're to achieve our target of 25% reduction in emissions – along with regenerative agricultural practices and improved management. We can certainly have an impact, but we need buy-in."

Time to market can be an issue for agritech products and this can have an impact on accessing capital, in particular venture capital where investors are looking for returns in a specific timeframe. "One of the things that we need to be aware of is the length of time that it takes a typical agritech product to reach viability. It can easily take five years to go from concept to getting Irish farmers to buy it – and then scaling up to take on the global market. In terms of funding such development, venture capital doesn't really suit agritech. They want quicker returns than agritech tends to offer."

Leo adds that any capital that EI invest is patient capital, and very much geared towards the long game.

KEY EMERGING MARKETS

In terms of what markets excite Leo the most, his answer is immediate. "We've still got a long way to go in Europe. Agritech has targeted the US and UK very heavily, but I think there's a lot of scope still in Europe. Then, at the other end of the scale, the potential from Africa is huge for food and agritech. By 2050, the population may nearly double– that's a huge opportunity for Irish agritech companies."

"There are so many efficiencies to be achieved in Africa. In terms of land use the opportunities are endless, and I think this is one area where Irish agritech companies have the potential to take a lead."

A FOCUS ON ENTERPRISE IRELAND

Getting back to the ambition of the Enterprise Ireland, one of the agenda items that occupies a lot of time for Leo and his team is how to better support and provide the right business tools for the SME sector in Ireland.

"We obviously have a strong partnership with the Local Enterprise Offices, who offer an awful lot in terms of training support, and the ETB's also play a part, but specialist knowledge in areas such as finance or talent management are an absolute requirement for successful SMEs."

In terms of equity investment, Leo points out that there are three key things that Enterprise Ireland looks to, "First of all, there's the business plan - where is the company headed? Secondly, there's the founding team – and the level of expertise they bring to the table. And thirdly, there's the matching team – who else is investing and are they adding 'smart money' or just money? In terms of grants, the major criteria would be the economic return in terms of jobs, export and business benefits, along with the execution of the business plan."

As to what advice he might give to companies approaching EI for assistance, Leo points to two key areas. "Firstly, there's how well they present their case – and secondly, there's the issue of how persistent they are. Remember that we are bound by legislation in terms of who we can support, which is mainly manufacturers or internationally traded services."

"Obviously, it would be inappropriate for us to demand that a company is exporting on the day they come to us, but there has to be the belief that they will do so in the future. And this is where persistence comes into play – can companies convince us that they will make it on the global stage? We're not in the business of creating businesses that will compete with each other on the local market."

Leo Clancy on...

Brexit and the Protocol

"Brexit continues to be extremely troubling and will be for years – not months. We still don't have a clear picture of how it will play out. In terms of the protocol, I think Irish producers have done a great job, and EI – before my time at the helm – also did a magnificent job in helping them gear up for the challenges ahead. Our producers are confident that they can deal with change. The problems tend to be with issues like veterinary inspection - but overall, we've done very well in facing up to things like customs and other problems."

Enterprise Ireland's approach to risk

"People say that we're risk averse, but when you compare us to many private sector funders, we're a lot more risk tolerant. That said, we have an obligation to the public purse and value for money is of primary importance to us. In the last year alone, we returned €100 million to the Exchequer."

The role of private equity in Ireland

"I think it's been really good. I've seen some great examples of creating opportunities that simply wouldn't have existed without private equity involvement. Our ambition is that the Irish-owned enterprise sector will be significantly bigger in ten years' time."

The Enterprise Ireland Global Network

"In terms of our plans for the global network, we'll be adopting the status quo in the short term, but this is something that's under constant review and we'll ramp it up if and when the time is right."

The impact of government climate change policy

"It's a global inevitability that we'll have to reduce our impact on our planet. The targets set will cause a lot of pain for many years to come, but in the longer term, I believe that it will be a very positive thing for industry. We spent a lot of time speculating about what our target would be, but now that we know, it's time to get to grips with it. It means we will have a revolution in Ireland, and in the agri sector, agritech will have a big part to play in helping us reach our emissions targets."

Willingness to support fossil fuel alternatives

"Wind, in particular, is a huge opportunity for Ireland – along with the hydrogen potential that comes with it. This could yet prove to be our next big ticket as a nation. We've a huge job to do in terms of infrastructure, but you can't tackle that in one big bite. It'll take time."

Culture at Enterprise Ireland

"My philosophy for this organisation is that you never feel worse for saying something than for not saying it."

ABOUT LEO

- I grew up on a small dairy farm in Tipperary.
- I am married with three kids and we have a dog called Hugo.
- My hobbies include reading, watching sport (including Munster Rugby and Tipperary hurling), and running. I hit 100 miles a month for 18 months during the Covid-19 pandemic.
- The book I've read most often is Lord of the Rings.

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1 Business Performance and Outlook

Optimism levels among food and agribusiness SMEs are at a five-year low at 54%. Businesses were optimistic as Covid-19 restrictions began to lift last year but 2022 has delivered a new set of challenges.

Some of these challenges are driven by the effects of the pandemic while others are directly connected to the war in Ukraine such as supply chain issues, shortages of raw materials and increasing energy costs.

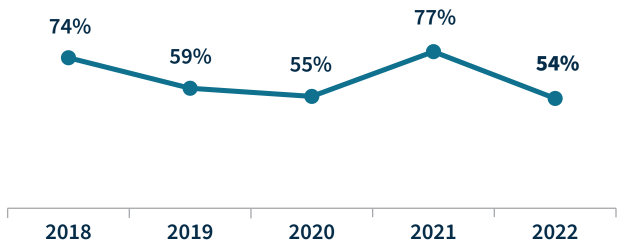
Many businesses are responding to inflationary pressures, with three quarters examining cost saving initiatives while 65% are implementing price increases and 57% are managing contracts with buyers and suppliers.

OPTIMISM

Optimism among business owners in the sector is at its lowest level in five years with only 54% of respondents stating they are optimistic about the future. This is a 23-percentage point drop from 77% last year.

The decline in optimism levels is reflected among both food businesses and agribusinesses.

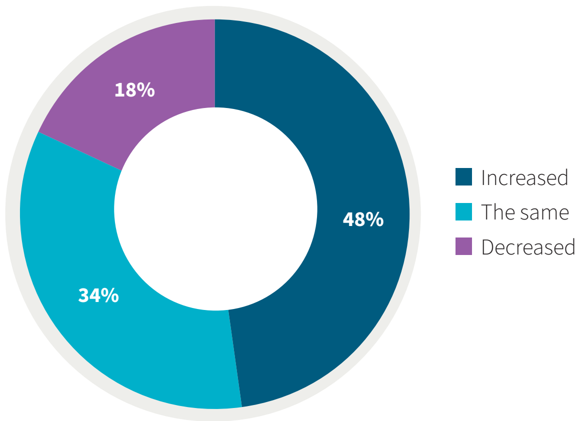
OPTIMISM LEVELS



TURNOVER

- Nearly half (48%) of businesses reported an increase in turnover, up 12-percentage points, on last year (36%).
- Of those with an increased turnover, 1 in 3 experienced an increase of 5% or less while 28% had an increase of 21% or more.
- Food businesses (49%) and agribusinesses (46%) experienced similar levels of turnover increase.

TURNOVER IN THE PAST 12 MONTHS

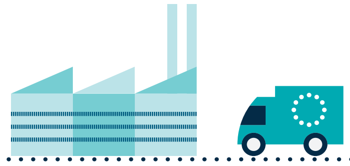


COSTS ARE INCREASING RAPIDLY

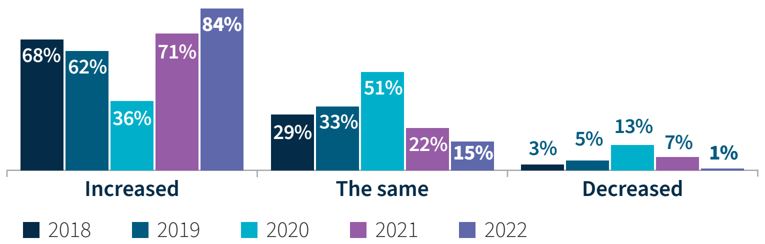
- 84% of food and agribusiness SMEs have reported an increase in costs in the last year.
- Not only are costs rising, but their percentage increase is also causing concern. Of those companies who experienced input cost increases, 43% had increases of 21% or higher in 2022, up from only 10% last year.
- Both food and agribusinesses SMEs are experiencing similar levels of increasing costs and the trend is the same across micro, small and medium businesses.

84%

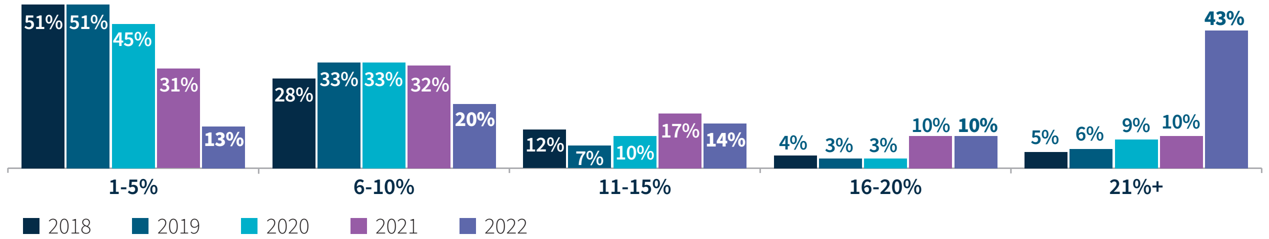
report an increase in costs this year



COSTS



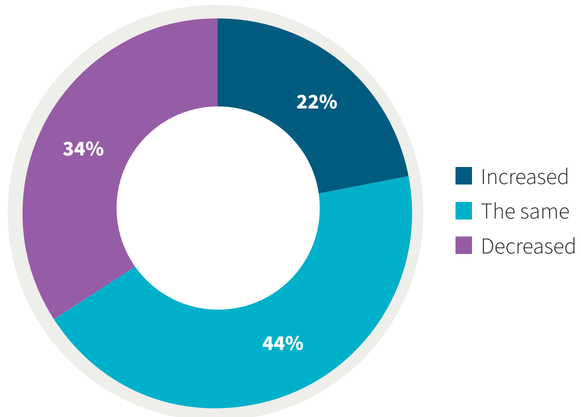
SCALE OF COSTS INCREASE



MARGIN

- As turnover and cost levels have increased at a similar rate, margins have remained the same for 45% of business compared to last year.
- There has been a 2-percentage point increase in businesses reporting a decreased margin at 34%.
- There has been an uplift in numbers reporting an increased margin, up 4-percentage points to 22%.

NET MARGIN



OPPORTUNITIES AND THREATS

This year, for the first time, we asked business owners to identify the biggest opportunities and threats for their business over the coming 12 months.

- The rising cost of raw materials is the biggest threat for 63% of businesses. The war in Ukraine is a concern for 42% and declining customer confidence or spending power is seen as a threat by one third.
- Examining the sectoral breakdown of these threats, agribusinesses (66%) are more concerned about rising costs compared to food businesses (60%) and food businesses (37%) are more concerned about declining consumer confidence than agribusinesses (28%).

63%

say the rising cost of raw materials is a threat

- Looking at the opportunities, strong consumer demand is seen as the main opportunity for almost half of business (49%). 2 in 5 see the opportunity to either increase price or have identified their new products as an opportunity for the coming 12 months.
- Agribusinesses are expecting a stronger increase in customer demand compared to food businesses (55% vs 45%).

1 in 2

view strong consumer demand as an opportunity

THREATS

Rising cost of raw materials	63%
The war in Ukraine	42%
Declining consumer confidence or spending power	33%
Rising salary costs	30%
Difficulty sourcing raw materials	26%
Ongoing effects of Brexit	23%
Lack of staff	23%
Rising interest rates	21%
Rising cost of energy/fuel	11%

OPPORTUNITIES

Strong consumer demand	49%
Opportunity to increase prices	41%
New products	37%
Competitors struggling with staffing	33%
Strong commodity prices	33%
Your innovation pipeline	31%

ACTIONS TO TACKLE INFLATION

Three quarters of businesses are examining cost savings as a method to counteract the challenges of inflation. 65% are implementing price increases and 57% are managing contracts with buyers and suppliers.

Examining cost savings (packaging, staff, Ingredients etc)	75%
Implementing price increases	65%
Managing contracts with buyers and suppliers	57%
Increasingly active cashflow management	55%
Streamlining supply chain to remove costs	45%
Investing in renewables to offset energy price increases	39%
Delaying capital investment (cost of building)	36%
Investing in innovation	36%
Shorting debtor days	35%
Range optimisation (stopping SKUs which are not performing)	30%
Extending payment terms to suppliers (creditors)	18%
Invoice factoring or discounting	17%

75%

examining cost saving initiatives

OISÍN GRYSON
Food and Agribusiness Executive

How to implement price increases

Rising costs are putting more pressure on margins and food and agribusiness SMEs need to react. Where the decision is made to pass the costs on and increase your prices, consider the following steps:

1. **Understand your margins**
   Conduct a detailed margin analysis of your products. Understand what constitutes the cost of your product(s) and make sure you include overheads like sales and marketing. This analysis can be challenging so working with your accountant is recommended.
2. **Apply increases in a structured way**
   Plan for scenarios with sustained cost increases over the next 12 months. You want to avoid having to repeat this price increase conversation too frequently with your customers, especially food retail buyers.
3. **Understand the wider market context**
   Review your competitor pricing. Identify any price increases over time. Use this as a reference for speaking with buyers but also to help your internal commercial conversations.
4. **Be transparent**
   Explain to customers the context for price increases. Help them to understand the challenges that you are facing as a business and that you are not taking advantage of the situation.
5. **Deliver additional value**
   Where commercially sensible, identify ways that you can deliver additional value to your customers without risking your bottom line. This could mean more efficient deliveries to your buyers or an increased focus on your environmental impact which consumers may appreciate.
6. **Measure the impact**
   Once you agree to go live with a price increase, proactively monitor sales. Measure the impact and react if necessary. Revisit some of the recommendations above where relevant.

2 Funding your Business

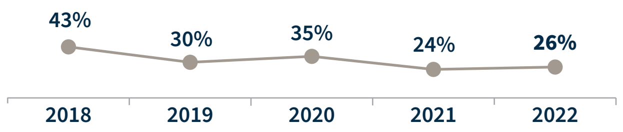
Having access to adequate funding remains a major factor for Irish food and agribusiness SMEs. Business leaders are understandably prioritising their liquidity, cashflow and funding requirements.

With fears that the era of cheap capital is coming to an end, *ifac's* Noreen Lacey explores what Irish SMEs can do to best manage rising interest rates while Conor Sweeney, Corporate Finance Director at *ifac*, explains how best to raise external funds in changing times.

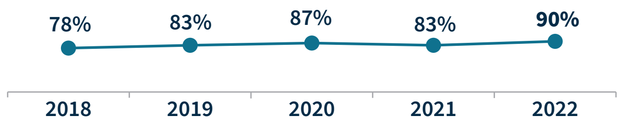
BANK FINANCE

One in four SMEs have tried to access bank finance in the last 12 months; broadly in line with previous years. Of those who did apply, 90% were successful, the highest level recorded to date. Government backed schemes like those offered through the Strategic Banking Corporation of Ireland (SBCI), have reduced bank risk and contributed towards increased application approvals.

TRIED TO ACCESS BANK FINANCE IN THE PAST 12 MONTHS

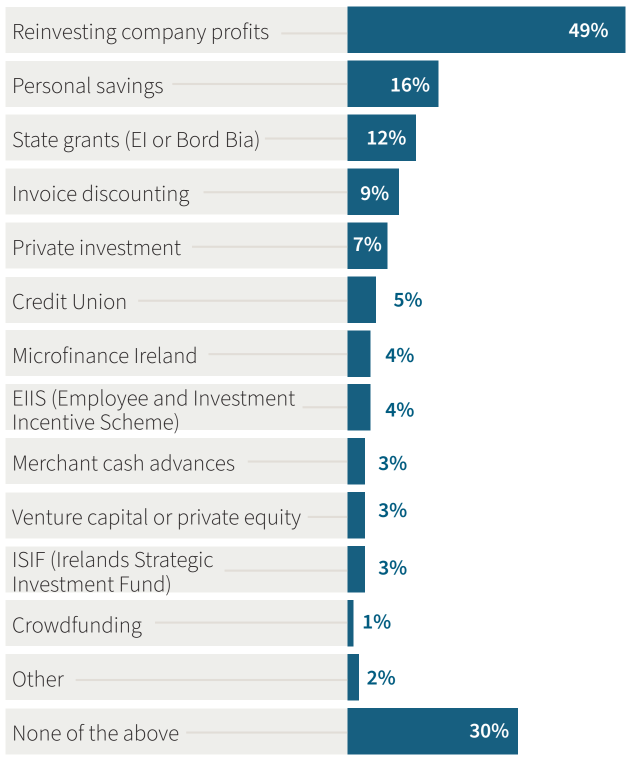


SUCCESSFUL IN ACCESSING FINANCE



NON-BANK FUNDING

Excluding bank finance, reinvesting company profits is the most prevalent source of financing for businesses in the sector.



NOREEN LACEY
Head of Banking, *ifac*

How to protect your business when interest rates are rising

With inflation close to 10% and higher interest rates on the horizon, now is the time to focus on what you can do to protect your business, says Noreen Lacey, Head of Banking, *ifac*.

In the first half of this year, higher input costs and rising prices drove Ireland's inflation to levels not seen for almost 40 years. Rising inflation tends to trigger interest rate increases and, in July three key ECB rates went up by half per cent —the first such rise since 2011.

For businesses, higher interest rates means higher borrowing costs. Without careful management, this can erode a business's capacity for innovation, development and growth. At the same time, rising prices mean consumers have less money to spend which, in turn, puts pressure on revenue streams.

So, what can businesses do to cope with higher interest rates?

Now is the time to look for opportunities to make savings and achieve greater efficiency. Areas to focus on include:

- **Credit facilities:** Check your existing credit facilities. When does your current facility expire and what are your renewal options? Can you negotiate a fixed rate loan or a flexible line of credit? If you owe money on business credit cards, consider paying this off and look for more cost-effective options to manage your short-term borrowing requirements.
- **Tax:** Are you taking advantage of all relevant tax saving opportunities? Do you need to structure/restructure any areas of your business?
- **Operational costs:** Review all costs to identify areas where you can make cutbacks or achieve better value for money. Can you free up resources by negotiating new payment terms with your suppliers? Can you identify opportunities to collaborate with other businesses and/or make savings by bulk buying? Are there energy-saving initiatives that you can implement to reduce your bills?
- **Personnel:** Do you have the right team in place? Are there performance issues that need to be addressed? If so, now is the time to tackle them. If operating from numerous locations, does it make sense to hold onto all staff?

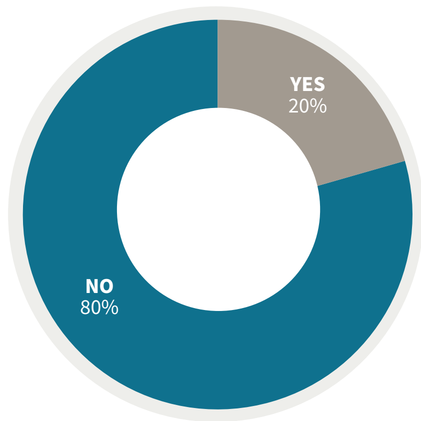
Seek advice

Many businesses lack experience when it comes to managing rising inflation and higher interest rates but accurate forecasting and careful planning will be vital in months ahead. Your accountant has expertise and tools to support you in the current environment. For information and/or advice, the Food and Agribusiness team, see page 49.

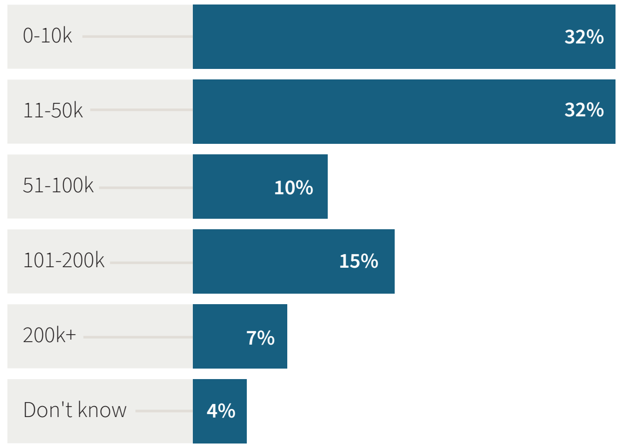
STATE SUPPORTS

One in five businesses have received State support. Food businesses (28%) were three times more likely to have accessed State supports in comparison to agribusinesses (9%).

IN RECEIPT OF STATE SUPPORT IN THE PAST 12 MONTHS



VALUE OF SUPPORT (€)



Two thirds (64%) of those who received State support, received up to €50,000.

Of those who received support, 22% accessed supports of over €100,000. This highlights a positive growth in larger scale State investments, up from 11% in 2021.

STATE BODY APPLIED TO

Local Enterprise Office (LEO)	41%
Department of Agriculture, Food and the Marine	24%
Enterprise Ireland (EI)	20%
LEADER	12%
Bord Bia	12%
InterTradeIreland	7%
European funding e.g. Horizon Europe	2%
Other	7%

Consistent with previous years, funding supports were primarily provided by Local Enterprise Offices (41%) followed by the Department of Agriculture, Food and the Marine (24%) and Enterprise Ireland (20%).

One in eight had received funding supports through LEADER, an important funding channel especially for rural food businesses and agribusinesses. As confirmed by Minister Heather Humphreys earlier this year, there is an indicative budget of €180 million allocated for the LEADER programme between 2023-2027.

INVESTMENT OF FUNDING

Capital expenditure on buildings or machinery was the most frequent use of supports accounting for 44% of all applications. Automation or digital investments featured in 29% of applications up on last year from 17% and 14% respectively.

CapEx development (buildings or machinery)	44%
Automation	29%
Ecommerce and digital investment	29%
New product development	24%
Upskilling of staff	20%
Working capital	15%
Sales and marketing	12%
Other	12%

CONOR SWEENEY
Director - Corporate Finance, *ifac*

Raising funds in changing times

If you're looking to secure funding for your business over the next year then I have some mixed news for you. The bad news is the unprecedented era of cheap and plentiful money has come to an end. Capital is going to get more expensive and when you combine this with inflationary pressures then you need to become more focused than ever on your strategy for profitable growth.

The good news is that the providers of capital in the Irish market are more interested than ever before in the food and agribusiness sector. As our spotlight interview with Leo Clancy highlights, Enterprise Ireland in particular have begun to re-organise themselves to put more resources, energy and focus into these sectors. We're seeing some very encouraging signs that funding and support is clearly available so as you scale your business we strongly encourage you to take a structured approach to fundraising through the following steps.

1. Know your business

- Be clear on what makes your business compelling and be razor sharp on where the opportunity is for growth.
- Be able to prove the size of your market and give relevant touch points to support your ambition to grow in this market.
- Have a clear product roadmap and define the investment required to get there.
- Prove that the investment will be worthwhile. Y amount of money invested now will generate XY return in a specific number of years.

2. Know your audience

- Develop an A-B-C list of potential investors and funders. Quickly weed-out those who are likely to say no.
- Don't limit yourself to local players; EU/US funders are becoming increasingly accessible.
- Speak with other founders to learn from their experience.
- Get input and introductions from peers and trusted advisors.
- Be open to (and seek) feedback to regularly refine your message and approach.

1 Know your business → 2 Know your audience → 3 Get the basics right → 4 Craft your narrative → 5 Hustle → 6 Negotiate → 7 Closing the deal

3. Get the basics right

- Know your Cap Table and how an investment will change your shareholding.
- Get yourself organised. Prepare your documents, have your NDA ready to go with digital signatures, set up a data room and keep a track of how investors interact with your data.
- Build your team of trusted advisors in finance, accountancy, legal, marketing and the relevant government agencies.
- Write your term sheet for investment before you go to market – anticipate the hard and soft discussion points.

4. Craft your narrative

- You need to have a compelling investor deck to share with investors. Share this with others and ask for honest feedback. Refine it multiple times and then lock it down and don't tinker with it anymore. Do not over-borrow on the goodwill of those who have given you feedback.
- Prepare how you present your business and be comfortable with it. Don't automate it – presenting an opportunity for funding needs to flow easily. If it is genuinely interesting, then you should have nothing to worry about. If it isn't then that should tell you something about your business.
- Own your numbers – know your gross margin, how you plan to improve it and what the end result on your operating margin will be. This is crucial to unlocking the financial return for your investor.

5. Hustle, hustle, hustle

- Fundraising for your business is an exercise in repetitive rejection. Expect to hear 'no' frequently, the trick is to get the answer quickly and move on. You can limit this by knowing your audience and focusing your efforts.
- Follow-up on action points coming out of each meeting. Return information as you promise and then follow-up on meetings systematically. Leads go cold for various reasons, but they should not go cold due to your inaction.
- Never forget that when selling an opportunity to fund your business you are in fact selling yourself first. Investors and funders will back people they trust, believe in and engage with. When pitching your business, you have to build that trust, build rapport and engage with the people (not the business) you are dealing with.

6. Negotiate

- When it comes to negotiating the terms of your funding package it really helps to have prepared your own key terms in advance. It also really helps to get the advice of others who have seen many more deals than you have. This is where a good Corporate Finance advisor can add value.
- Debt funding will differ greatly to equity funding. Regardless of the type of finance, however, the funder/investor needs to have bought into your vision to grow the business. If they have bought into you and your plans, then this is likely to overcome any bumps in the road ahead. Rather than seek the cheapest source of finance, it can often be wiser to seek the best funding partner who will support you over the long term.

7. Closing the Deal

- Going through a due diligence process is made much easier if you are organised in advance. Talk to your accountant, tax advisor and lawyer before you get to this stage, and they will guide you on what you are likely to need to prepare in advance. Note, however, that demonstrating sales growth is purely in your domain and this is something you will need to own outright.
- The best advice on legals that I can give is to use a lawyer who has clear recent experience of dealing with commercial funding agreements such as the one you are planning to use. Do not necessarily use the solicitor you have always used for routine property or family matters. Like all matters, getting the right advisor can save you lots of time and money in the long run.
- Finally, depending on the type of funding you are looking for you should allow anywhere between 3 and 12 months to secure the result. You, therefore, need to be thinking about funding your growth well in advance of when you actually need the money. Debt funding is not quick to secure (3-6 months) but it is quicker than finding an equity investor (6-12 months).

If you are exploring a fundraising strategy, reach out to Conor (conorsweeney@ifac.ie) and we can help guide you through the process.

3 ifac Supports Guide*

With increased input costs and rising inflation levels being experienced by businesses, it is vital to ensure that you are availing of the relevant supports available to your business.

There are a range of supports available to businesses of all sizes, from start-ups to established businesses. We recommend all businesses examine the list of supports and utilise the relevant ones to help develop their business into the future.

We work with business owners to help them secure the necessary support for their business. We urge businesses to review the supports available to them and connect with us if we can assist your funding application.

Thank you,

David Leydon
Head of Food & Agribusiness, *ifac*

Which supports will work for you?

1. ______________________________

2. ______________________________

3. ______________________________

LEO	Local Enterprise Office
EI	Enterprise Ireland
ITI	InterTradeIreland
BB	Bord Bia
TG	Teagasc
ACC	Accelerators
IRC	Irish Research Council
RL	Rural LEADER
BIM	Bord Iascaigh Mhara
RDP	Retail Development Programme
EU	European Funding

S Start-Up
G Growth
Es Established
Ex Expansion

LOCAL ENTERPRISE OFFICE (LEO)

The Local Enterprise Office offers support to both start-ups and established businesses depending on size.

GradStart is a newly available grant for LEO companies to assist them in securing high calibre graduate talent. Support of up to €30,000 is available over two years towards the graduate's salary.

The **Priming Grant** and **Business Expansion Grant** offers support to businesses that require additional funding as they enter a growth phase. They cover investment in capital items, general overheads and consultancy costs.

ENTERPRISE IRELAND (EI)

For businesses with an export focus or start-ups displaying a high potential for job creation and export, EI have a range of supports designed to assist with growth and export capability.

With digital developments playing an increasing role in the operation of businesses, the **Digital Discovery Grant** provides businesses with the support required to develop a roadmap for their digital transition. The grant funds 80% of the cost up to €6,300 (€5,000 grant).

As businesses look to overcome the increasing number of challenges facing them, investment in research and development (R&D) will play an integral role. The **Exploring Innovation Grant** provides up to 50% or €35,000 for projects focusing on R&D, innovation or international collaboration.

ifac FUNDING FRIDAY

Every Friday, *ifac's* Food and Agribusiness team publishes details of new supports relevant to food and agribusinesses. We provide details on the key criteria and sectoral eligibility for each support. Scan the QR code to keep up to date on the latest supports available to your business.

TAX

- Start-Up Relief For Entrepreneurs (SURE)
- Key Employee Engagement Programme (KEEP)
- Knowledge Development Box (KDB)
- R&D Tax Credits (see page 35)
- Company Relief (CGT Exemption)
- Specified Intangible Asset Allowance (SIA)
- Entrepreneur Relief/Retirement Relief

FUNDING

- Microfinance Ireland
- Credit Unions
- Business Angels e.g. HBAN
- Bank Debt
- Venture Capital
- Overdraft
- Strategic Banking Corporation of Ireland (SBCI)
- Non-Bank Lenders e.g. Linked Finance
- EIIS
- Private Equity
- Retained Profits
- Crowdfunding e.g. Spark Crowdfunding

STATE FUNDING SUPPORTS

LEO	Technical Assistance for Micro Exporters	S G Es Ex
LEO	Food Starter Programme	S
LEO	Trading Online Voucher	S G Es Ex
LEO	Feasibility Study Grant	S G Es Ex
LEO	Priming Grant	S G Es Ex
LEO	Business Expansion Grant	G Es
LEO	GradStart	S G
EI	Digitalisation Voucher	S G Es Ex
EI	GreenPlus	S G Es Ex
EI	Climate Action Voucher	S G Es Ex
EI	Evolve Strategic Planning	G Es Ex
EI	Business Process Improvement Grant	G Es Ex
EI	New Frontiers Programme	S
EI	Competitive Start-Up Fund (CSF)	S G
EI	Innovation Vouchers e.g. TSSG	S G Es Ex
EI	Strategic Marketing Review Grant	S G Es Ex
EI	HPSU Feasibility Grant	S G Es
EI	Tailored Company Expansion Packages	S G Es Ex
EI	Grad Start	G Es Ex
EI	Horizon Europe	G Es
EI	High Potential Start-Up (HPSU)	G Es Ex
EI	Online Customs Insights Course	G Es Ex
EI	The Operational Excellence Offer	G Es Ex
EI	Brexit: Act On Initiative	G Es Ex
EI	Excel at Export Selling	G Es Ex
EI	Market Discovery Fund	G Es Ex
EI	Building Information Modelling (BIM)	G Es Ex
EI	Agile Innovation Fund	G Es Ex
EI	Capital Investment Incentive (CII)	G Es Ex
EI	Innovation 4 Growth Programme	G Es Ex
EI	Green Start	G Es Ex
EI	Key Manager Grant	G Es Ex
EI	Job Expansion Fund	G Es Ex
EI	Lean Start	G Es Ex
EI	The Research and Development (R&D) Fund	G Es Ex
EI	Exploring Innovation Grant	G Es Ex
EI	Leadership 4 Growth Programme	Es Ex
EI	Innovation Partnership Programme	Es Ex
EI	Intellectual Property Strategy Offer	Es Ex
EI	Lean Plus	Es Ex
EI	Lean Transform	Es Ex
EI	BB TG Food Works	S G
EI	Business Process Improvement Grant	G Es Ex
ITI	Trade Accelerator Voucher	S G Es Ex
ITI	Elevate Programme	G Es Ex
ITI	Fusion Programme	G Es Ex
ITI	Acumen Programme	G Es Ex
BB	Origin Green	S G Es Ex
BB	FoodService Academy	G Es Ex
BB	Marketing Assistance Programme	G Es Ex
TG	Options Programme	S
ACC	Accelerators e.g. NDRC, AgTechUCD	S G
IRC	Enterprise Partnership Scheme	S G Es Ex
IRC	Employment-Based Postgraduate Programme	S G Es Ex
RL	LEADER Funding	S G Es Ex
BIM	Knowledge Gateway Scheme	S G Es Ex
BIM	Sustainable Aquaculture Scheme	S G Es Ex
RDP	BB Grow with Aldi	S G
RDP	BB Kickstart - Lidl	S G
RDP	BB Food Academy - SuperValu	S G

EUROPEAN FUNDING

EU	Horizon Europe	G Es
EU	InvestEU	G Es
EU	European Space Programme	G Es

*Indicative map of some of the most frequently used supports by Irish food and agribusinesses.

Overview | Business Performance and Outlook | Funding your Business | ifac Supports Guide | Standing out in a competitive market | Exports and Brexit | People and Culture | Food Focus | ESG Focus | Research and Development | Digital Transformation | Agtech Focus | Transitioning your Business | Personal Finance

4 Standing out in a competitive market

People do not start a food business for an easy life. While running a food business can be very engaging and it has the potential to be financially rewarding if things go well, it is equally a sure way to enter yourself into the school of hard knocks. The last few years need no additional commentary in this context.

To make the challenge more complex is the constant emergence of new competitors into the food and drinks category. This level of innovation can drive businesses on and inspire category interest with consumers but how can food businesses optimise their chances of standing out in such a competitive marketplace?

Lorcan Bannon takes a closer look.

LORCAN BANNON
Associate Director Food and Agribusiness, *ifac*

1. Sustainability

When we speak with Irish food businesses, an important topic of conversation is sustainability. SMEs are increasingly aware of their opportunity and responsibility to play a more proactive part in the future of our shared environment. Having a clear Environmental, Social and Governance (ESG) plan in your business will give you better internal clarity for the future of your business while also giving you something to talk about externally with buyers, media, and consumers. Your plan should be impactful, true to your business and transparent with tangible impacts.

2. Margin control

It is hard to go green when you are in the red, so before any food business tries to stand out on their sustainability credentials, it is important that you understand the underlying numbers that are driving your business. Conducting a full product range audit will give you clarity of what your input costs are, what costs you are incurring for third parties like distributors, what you are making by channel, your packaging costs by product and which products are giving you the best returns. With significant cost inflation, regular margin analysis will ensure that you have the financial understanding needed to stay competitive.

3. Operational efficiencies

To stand out from your competitors, especially in the retail space, look at ways to improve your operational efficiencies. To get a reputation as a good supplier you should focus on:

- Production of good quality products consistently
- Deliver the right amounts in each order
- Ensure every delivery has the right paperwork attached
- Invoice correctly and on-time
- Be organised and get the basic transaction elements right
- Avoid thinking negatively about buyers. Try to build collaborative relationships.

Doing the small things consistently well with retailers will add up over time and build the reputation of your brand.

4. Packaging

In a hugely competitive marketplace, food packaging needs to work harder than ever before for Irish food businesses, on both the digital and physical shelves. It needs to operate as your silent salesperson. Always clear and consistent, communicating your brand values and product credentials. Underestimating the marketing potential of your products' packaging could be a seriously missed opportunity for your business to stand out from the competition (read more on page 28).

5. People

Invest in your people; they are your greatest asset. Without a team of co-conspirators who buy into your vision of the future and want to help make it a reality, standing out from the crowd will be very challenging. Every business leader needs to be able to sell their business to prospective staff. They need to be able to bring in new team members as well as retaining and supporting the best of existing staff members. With increasing wage demands, having the ability to attract the right staff is not going to get any easier but avoid the temptation to bring less than A-level players into your senior team. The short-term relief will generally lead to medium term frustration when they start to underperform.

6. Routes to market

One upshot of the Covid-19 pandemic was that it forced most food businesses to explore alternative routes to market. Businesses that had traditionally only focused on food service for example, learned to sell to retail, brands with a focus on retail learned to sell online. This flexibility and openness to exploring new routes to market can help to make your business more diversified and reduce an over reliance on one channel.

7. Innovation

Growing a food business is generally not covered by a *one product and you're done approach*. To be successful and to stand out from competitors, innovation is paramount. When speaking with retailers, food businesses are not only selling their current product offering, but they are also expected to sell the innovations that they can introduce to the category over time. Consumers who love your core product will soon be looking for logical next step products to enjoy. Having an open mindset and a structured approach to innovation is an important way to stand out from your competition and build real brand value over time.

8. Marketing

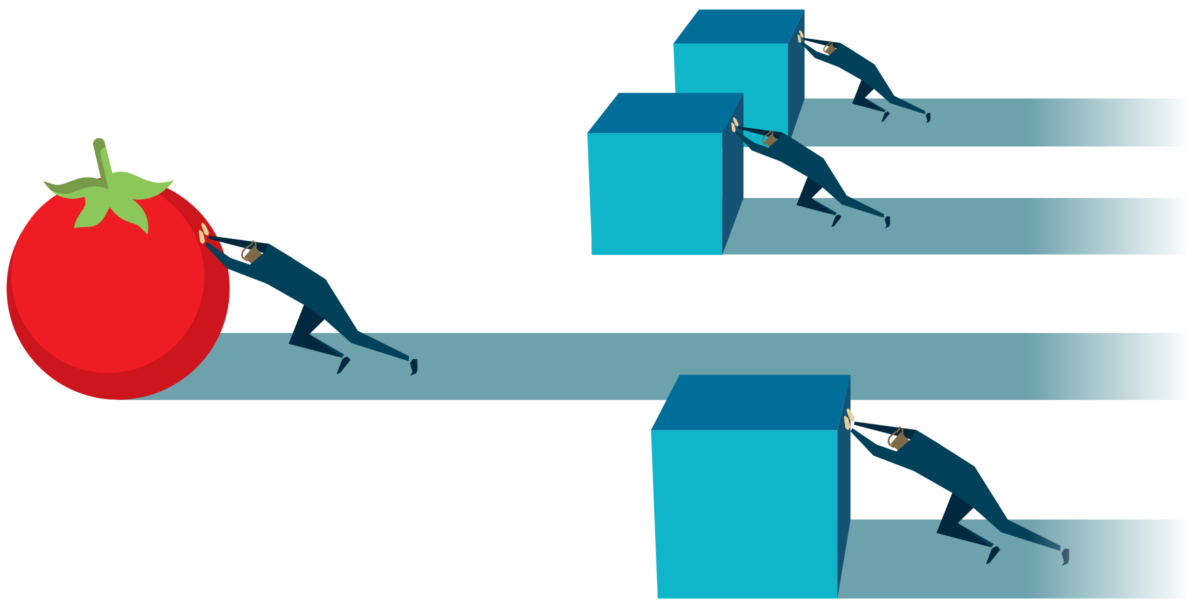
In his book on high performance brands, "Zag", Marty Neumeier talks of the need to have a clear focus on what makes your product different, understand what wider trends are driving your business forward and then communicate consistently a compelling reason why consumers should care. Effective marketing can play a critical part in standing out from your competitive set. SMEs have finite marketing budgets, so we encourage food businesses to focus on getting the marketing basics right. Have a clear brand identity, and a consistent tone of voice for your brand. Focus on word-of-mouth and creating advocacy with important customers and industry influencers. As your marketing experience grows, paid media can be explored to enhance the organic momentum that you have built. Repeatedly instil your passion for your business in others and watch the fire take-off.

Summary

Standing out can come with its own risks. Taking the step to invest in more sustainable packaging, investing in a new senior recruit, or developing a more impactful brand, can create additional worries in the minds of SME owners about what happens if things do not go to plan. However, staying in the competitive group is a sure way not to build a differentiated business.

The last twenty-four months have been a rollercoaster for food businesses while the next twelve months don't seem any less choppy. Do your research, identify the areas of growth that best suit your business and take your first step out of the crowd.

If you want to see how your business can stand out from the crowd, contact Lorcan directly (lorcanbannon@ifac.ie)

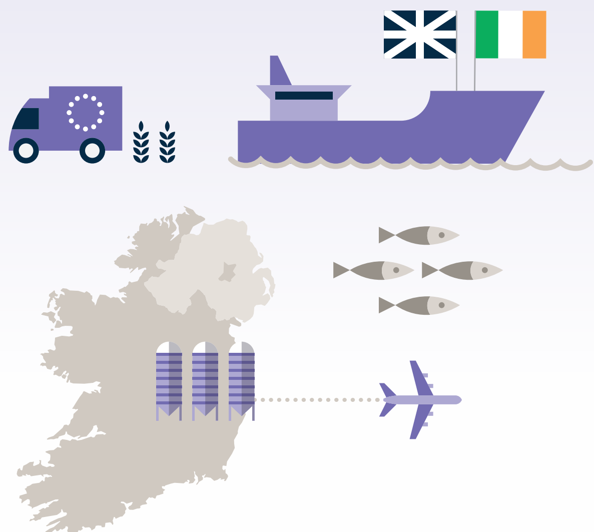


5 Exports and Brexit

The leading export market for Irish food and agribusinesses is Northern Ireland (NI) with 27% of businesses exporting there, up 6-percentage points on 2021.

The cost of logistics is the largest challenge facing food and agribusiness SMEs with almost one third listing this as the main challenge when looking to build sales outside of Ireland.

4 in 10 businesses are concerned about the ongoing Northern Ireland Protocol dispute with this figure rising to 5 in 10 amongst those already selling into Northern Ireland.

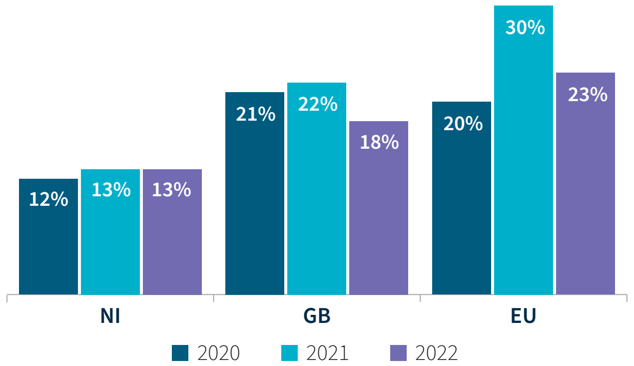


EXPORTING

Consistent with 2021, Irish food and agribusinesses continue to focus on the Republic of Ireland (ROI) as their primary market, accounting for 87% of sales.

While there has been a 30% increase in the number of businesses exporting to NI, the value of total sales to the region is on par with 2021. The value of export sales for those trading with GB and the EU has declined year-on-year.

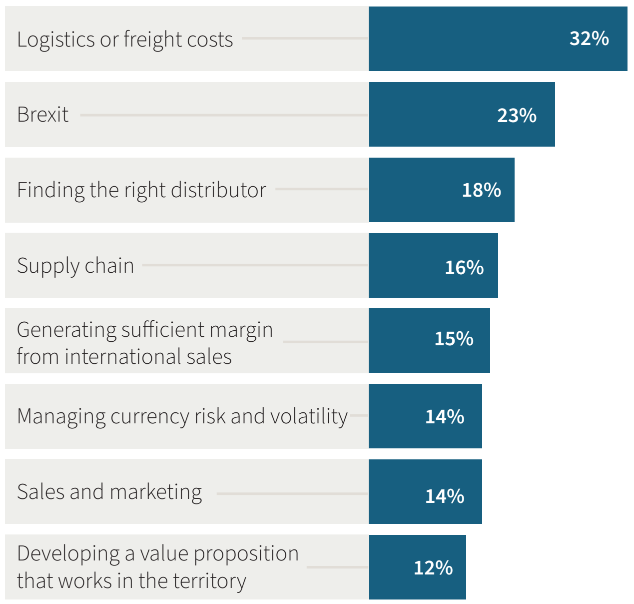
VALUE OF SALES TO NI, GB AND EU FROM ROI



EXPORTING ISSUES

Businesses looking to export face an increasing number of challenges, with logistics costs being the single biggest challenge followed by Brexit and finding the right distributor.

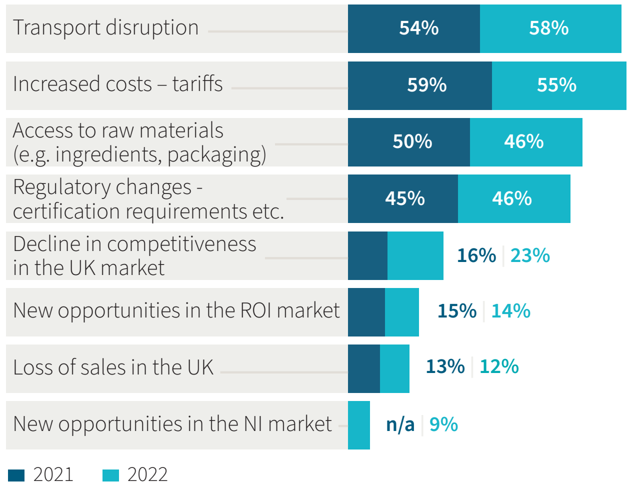
BIGGEST CHALLENGES TO SALES OUTSIDE OF IRELAND



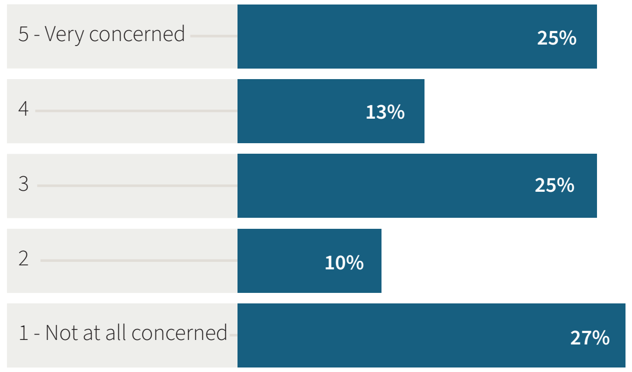
BREXIT

With ongoing uncertainty around Brexit, challenges like transport disruption (58%), increased costs (55%) and access to raw materials (46%) continue to have a negative impact on Irish SMEs. 4 in 10 Irish food and agribusinesses are concerned about the unresolved Northern Ireland Protocol.

BIGGEST IMPACTS ON YOUR BUSINESS AS A RESULT OF BREXIT



LEVEL OF CONCERN AROUND ONGOING NORTHERN IRELAND PROTOCOL DISPUTE



CASE STUDY

Exporting with EASYFIX

RONAN BOYLE
Director - Business Development, EASYFIX

EASYFIX is a family-owned and run company that has enjoyed tremendous growth over the last 26 years, selling products in over 60 countries. Ronan Boyle, Director-Business Development, EASYFIX, talked about their export journey at a recent Agtech Ireland event.

Choosing the right international dealer:

"The UK market was the easiest opportunity from an expansion point of view. For a few years we operated through one sole distributor in Northern England. They weren't the ideal partner. We decided that we couldn't be dependent on one dealer to service the UK, so we introduced another dealer."

"Exclusivity is not a road that we like to go down. If we take on a dealer, we agree an area that they can operate in and if a dealer is performing, then we don't have to look for another dealer in that area. It's about building that relationship with the dealer. In terms of recruiting new dealers, you get a feel about a new dealer. It's like a marriage. It has to work for both parties as we're in it for the long haul. It is important to get out there and meet them. Bringing them to Ireland is important as well so they can see who we are and what goes into the development of our products."

Managing currency fluctuations:

"Very simple, invoice in Euro, get paid in Euro. We also get paid before the goods leave our warehouse. At the start, we didn't have a choice not to look for prepayments because we simply didn't have the cashflow."

Enterprise Ireland (EI) and exporting:

"Our experience with EI has always been very positive. We have secured funding for market development; we have worked with them to explore new markets and we have completed inward buyer visits. To really maximise the relationship, your local EI contact needs to understand your company, the product and the market."

Special thanks to Agtech Ireland for permission to share these insights from their event.

EASYFIX® LIVESTOCK COMFORT

To read the full interview with Ronan Boyle, visit www.ifac.ie/ifacReport

6 People and Culture

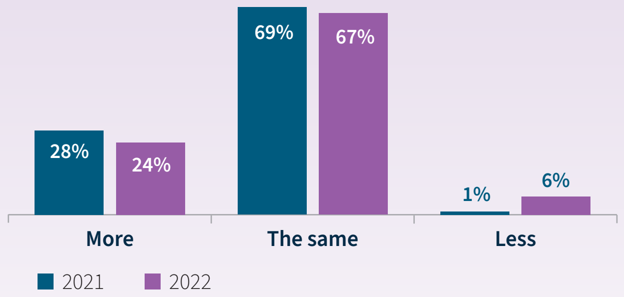
Recruitment plans for SMEs remain in line with 2021 with over 90% planning on growing or maintaining the same number of staff. Business owners still expect recruitment to be challenging (67%). The challenge is not limited to recruitment with 1 in 2 businesses finding it difficult to retain staff.

It is important to put plans in place to ease these pressures. Work permits have a role to play as highlighted by *ifac's* Mary McDonagh.

RECRUITMENT PLANS

One quarter plan on hiring more people and 67% plan on keeping the same employee numbers.

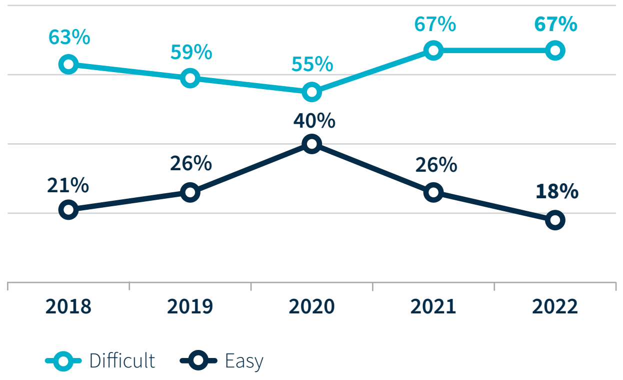
EMPLOYMENT PLANS FOR THE NEXT 12 MONTHS



RECRUITMENT

67% of business owners have experienced difficulty when recruiting. The cohort of employers who found it easy to recruit in this year's survey has dropped by 8-percentage points, again highlighting the challenge of recruitment in a full employment economy.

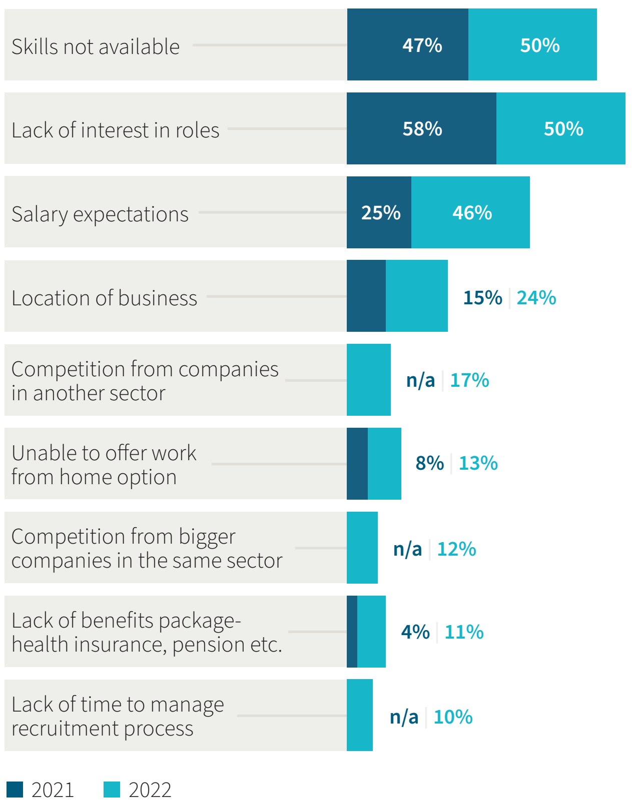
HOW EASY OR DIFFICULT IS IT TO RECRUIT THE PEOPLE NEEDED TO RUN THE BUSINESS?



DIFFICULTY IN RECRUITMENT

For the fifth consecutive year, availability of skills and a lack of interest in roles continue to be the main reasons why businesses are struggling to hire.

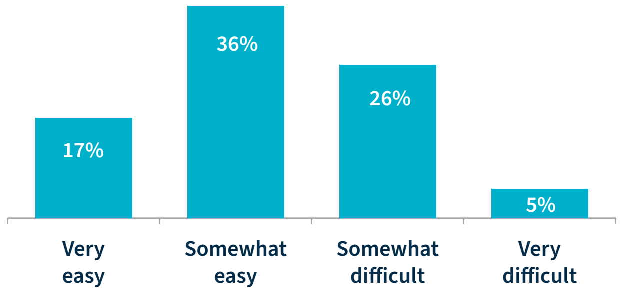
Year-on-year, salary expectations and the inability to facilitate working from home are increasingly becoming barriers.



STAFF RETENTION

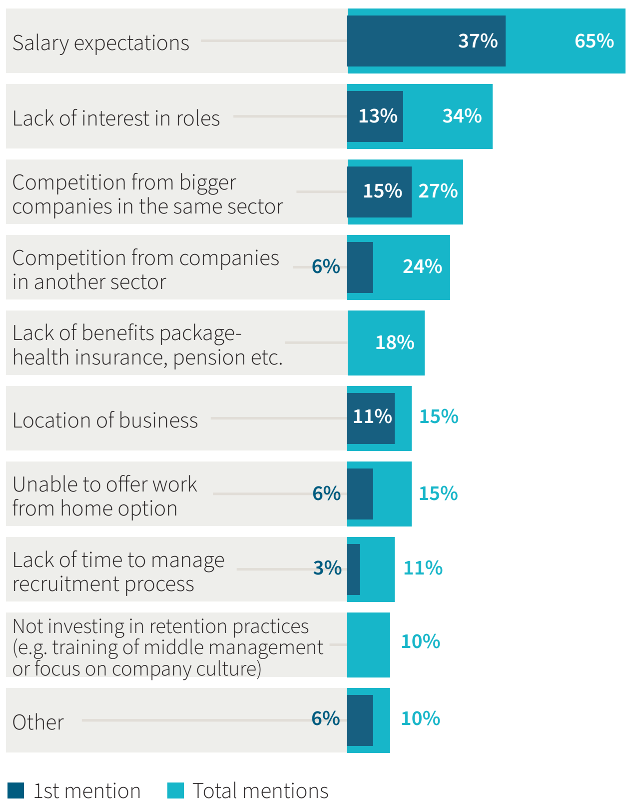
Over half (53%) of business owners have good staff retention. 3 in 10 SMEs, however, say retaining staff is difficult. Medium sized businesses in particular find it difficult with 50% of them seeing retention as an issue.

EASE IN RETAINING THE PEOPLE YOU NEED



Similar to recruiting, salary expectations (65%) and a lack of interest in roles (34%) are some of the main challenges to retaining staff. Competition from other companies within the sector is a bigger threat than companies operating in other sectors.

STAFF RETENTION CHALLENGES



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

Utilising employment permits to ease staff shortages

Skills and staff shortages are forcing employers to look further afield when hiring. When recruiting employees from outside the European Economic Area (EEA), UK or Switzerland, it is essential to know they must have permission to work in Ireland.

General Employment Permits

- The regulations of this permit assumes all occupations to be eligible unless otherwise specified on the Ineligible List of Occupations for Employment Permits. A Labour Market Needs Test is required and you must publish an EURES advert for at least 28 days before a valid application can be submitted.
- The application for the above must be received by the Department of Enterprise, Trade and Employment (DETE), at least 12 weeks before the proposed start date of the employment in Ireland.
- *Ifac* is a DETE Trusted Partner reducing the time and paperwork for our clients applying for the scheme.

Key Criteria

- Minimum salary of €30,000 per year (some exemptions may apply)
- Role is not on the list of ineligible occupations
- A Labour Market Needs Test has been carried out
- Over 50% of the workforce in the company or organisation are EU citizens

Fees

Duration of permit	Amount
Up to 6 months	€500
Up to 2 years	€1,000

90% refund if application is unsuccessful.

7 Food Focus

Emerging trends have the ability to make or break a business; being able to recognise food trends that are on the rise and harness their potential, is crucial to the success of Irish food businesses.

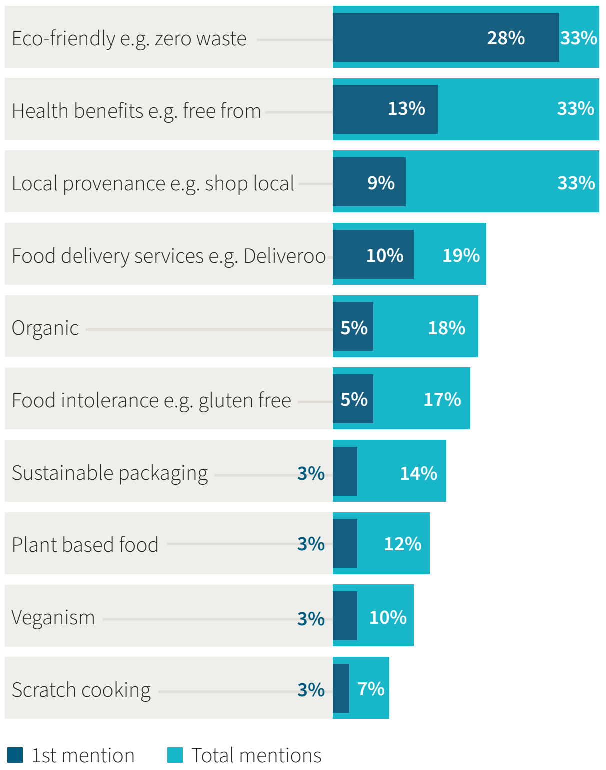
Our research among Irish food SMEs, highlights the continuing importance of being eco-friendly, while health benefits and local provenance also feature strongly.

Our client case study with Killowen Farm, focuses on how to grow a sustainable business, commentary on packaging identifies ways to make this potential differentiator work harder for your business while our analysis on margins, shines a light on the key numbers behind any food business.

FOOD TRENDS

Building on the results from last year, being eco-friendly continues to be the top-of-mind trend for Irish food businesses. When it comes to total mentions, the health benefits of products, local provenance and eco-friendly credentials are the three trends having the most impact in 2022.

FOOD TRENDS WITH THE BIGGEST IMPACT



TRENDS ON THE RISE YEAR-ON-YEAR

Eco-friendly

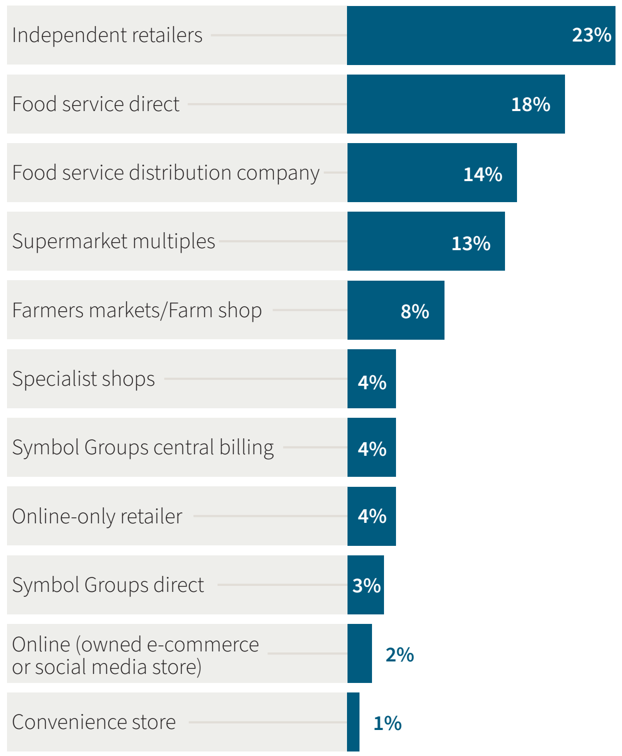
Eco-friendliness continues its rise in prominence. This is the second year in a row where this trend saw double digit growth (+12-percentage points) in first mentions. While the term has a broad application, elements focused on zero waste are coming to the fore. Businesses are recognising the need to cut back on waste to save on costs and also the opportunity to play their part in a more sustainable future. Companies like Positive Carbon are emerging with potential technical solutions to facilitate this trend's further growth.

Health benefits

Coming out of a global pandemic and with an increasing awareness of the benefits of healthier lifestyles, food businesses are seeing a growth in the health benefits trend. "Free From" and "No/Lo" products are highlighted as areas of focus. Major retailers are embracing this trend with increasing aisle allocation across multiple categories. Food and drinks brands should actively assess their category for opportunities in the "Free From" and "No/Lo" segments. Even counterculture global beer brands like Brewdog have launched an alcohol-free beer.

Routes to Market

WHICH OF THESE IS YOUR MAIN ROUTE TO MARKET?

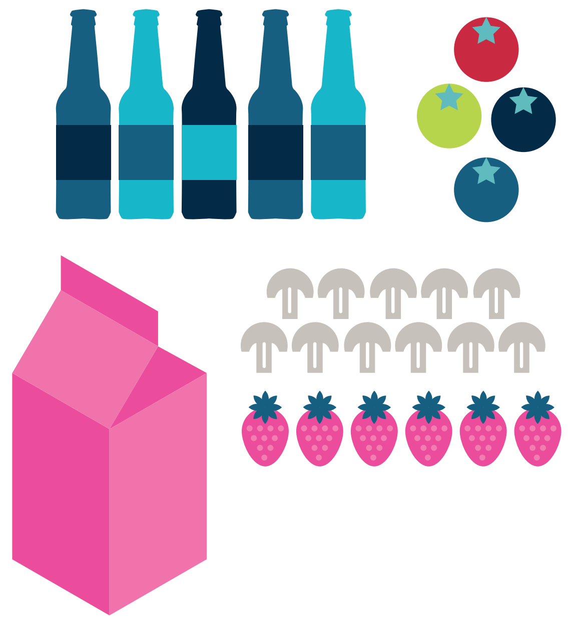


While independent retailers continue to be the primary route to market for SME food businesses, there is a clear re-emergence of food service, both direct and through a distribution company. 32% of food businesses now rely on food service as their main route to market, up from 16% in 2021. A reduction in Covid-19 restrictions and a reopening of food service outlets, have driven this increase.

When asked about where growth will come from over the next 3 years, 24% of Irish food SMEs identified supermarket multiples as the route to market that holds the most growth potential for their business.

Food service as a primary main route to market is

Up 100% YOY



Get your packaging right

SUSTAINABLE PACKAGING

Sustainable packaging continues to be an important trend impacting Irish food businesses, yet it remains one of the more challenging elements for Irish food businesses to get right. Now more than ever, packaging has the potential to be a sustainable differentiator for businesses, helping them to stand out on the digital and retail shelves while reducing their impact on the environment. Juggling this opportunity with the ongoing supply chain challenges, cost inflation and Brexit is challenging.

We encourage businesses to use practical tools like the ***ifac* Packaging Audit Template** and the ***ifac* Packaging Cost Calculator** to better understand the costs associated with their packaging.

1. Packaging Audit Template

A packaging audit is an opportunity for a food business to look at all aspects associated with packaging and identify ways to do things better. It looks at processes, suppliers, materials, internal and external teams, branding and the costs associated with packaging. As a regular exercise, a packaging audit can add significant value to your food business.

What are the practical steps of a packaging audit?

1. Processes

- Map out your current packaging processes.
- Capture the main issues that you experienced in the previous 12 months e.g. significant wastage, packaging shortages, production downtime etc.
- Review your expansion plans for the coming 12-24 months. List your packaging process needs to reflect this growth.

2. Materials

- How sustainable are your current packaging solutions? Are there more sustainable options available?
- Are these solutions practical for your product? e.g. can they keep your product protected and fresh?
- Consider what your competitors are doing differently e.g. shelf ready packaging or sustainable packaging.

3. Costs

- Consider the cost of packaging per product. Is the cost per unit excessive in relation to the total cost of your product?
- Audit how much packaging you hold in storage. Is this the optimal amount? Can your cashflows continue to absorb these levels? Alternatively, do you need to increase stock holdings as supply chains get more volatile?
- Use the *ifac* Packaging Cost Calculator to understand your packaging unit costs.

4. Team

- Consider the staff requirement for your packaging processes. Are there automation efficiencies that can be made?
- Understand the downtime of machines between and during production runs – are there opportunities for your team to add value elsewhere in the business?
- Can packing times be improved? Even small differences, can have a big impact at scale.
- Actively review your packaging suppliers – are they reliable? Can you negotiate better terms?

5. Branding

- Critically review your current packaging design. Consider its role as your silent salesperson. Does it have the ability to stand out on the digital and retail shelves?
- Consider what your competitors are doing differently. Are there learnings you can use?
- Identify ways that packaging can work harder for your business to communicate your brand values. In particular, consider the role packaging can play for home deliveries.

2. *ifac* Packaging Cost Calculator

A fundamental part of any packaging audit is the analysis of the costs associated with your product packaging.

To help with this initial process, we have created the *ifac* Packaging Cost Calculator. This tool will help you to:

- Itemise individual packaging costs
- See how volume increases or decreases impact unit costs
- Get a sense of the actual combined cost of packaging for your products.

Through this analysis, food business managers will have a greater ability to see what their packaging costs are and make better business decisions on the types and sources of packaging that they use. You can download this calculator using the QR code at the end of this section.

EMERGING SUSTAINABLE PACKAGING MATERIALS

Food and beverage companies are becoming more innovative in how they pack their products. Some non-traditional packaging forms that have emerged include using discarded husk seed, sugarcane, crop pulp and seaweed, instead of more traditional forms that take far longer to decompose.

A. Sugarcane Packaging

Ecopak is a Wicklow-based company that uses innovative, sustainable materials to produce packaging for a variety of products. They offer two types of packaging: sugarcane bagasse and palm bark. Sugarcane bagasse is the residual material after processing sugarcane. It is usually burnt, but Ecopak use the material to make disposable tableware, after which it can be composted.

B. Seaweed Packaging

Skipping Rocks Lab in the UK has used seaweed to create a material called Notpla, which is 100% edible, biodegradable and compostable. This has been used to make Oohos, a plastic-free bubble that can contain up to 200ml of liquid and can even be eaten afterwards.

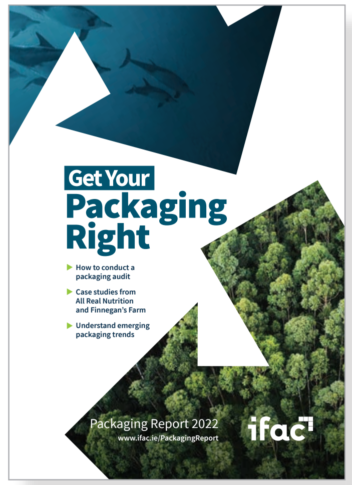
C. Lab-grown Packaging

MakeGrowLab is a Polish company who have made it their mission to grow a new era of materials to replace fossil-fuels in packaging. They have engineered a high performing solution which is durable, 100% free of plastic, home compostable and forty times stronger than paper.

D. Edible Packaging

A start-up company in Waterford called Signal Box Coffee has taken on the sustainability challenge by being the first food service company in their area to offer a sustainable coffee cup alternative. They sell their coffee in cups made out of material similar to a cornetto cone. This can be eaten once the coffee has been consumed. Win win!

Find out more about the latest packaging trends and download your free *ifac* Packaging Cost Calculator in the *ifac* Packaging Report 2022



ANDREW BROLLY
Senior Accountant, *ifac*

Margin Management

With rising input costs and increasing pressures from retailers and food service, food businesses need to understand their margins and be in control of the numbers driving their business. *Ifac's* Andrew Brolly takes a closer look at Gross Profit Margin.

Gross Profit Margin

Gross profit is your sales (revenue) less your cost of goods sold (COGS). A margin can be determined by dividing your result by your revenue number multiplied by 100. When evaluating your Gross Profit Margin:

Gross profit margin	=	**(Revenue – Cost of Goods Sold)/Revenue x 100**

1. Firstly, you need to be making enough gross profit so that the margin is sufficient to cover your associated administrative costs.
2. Make relative comparisons. Compare your gross profit margin with:
   - your annual budget
   - previous years
   - the industry average
3. Break down your key costs and review each in detail.

Let's take a look at a practical example:

Gross Profit Margin Analysis – Company A

Turnover		€1,260,000
Less: Cost of Goods Sold *(anything directly related to the production & distribution of the goods sold)*		
Raw materials costs	€312,000	
Packaging	€77,500	
Distribution costs	€93,750	
Production labour	€246,250	
Third party storage	€56,500	€786,000
Gross Profit		€474,000
Gross Profit Margin %		37.62%

What does this tell us? Company A appears, on the face of it, to have a reasonably healthy gross profit of €474,000, however, the margin is falling short of the 40-50% margin expected for this type of food production business. A full review would entail reviewing the price point and each of the costs including:

- A review of raw materials wastage
- A review of direct labour productivity
- Assessing alternative packaging or packaging providers
- Assessing the efficiency of your distribution model

If the above measures are actioned and the gross profit margin increases to just 40%, it would result in additional gross profit of €30,000.

Get in touch with the Food and Agribusiness advisory team if you would like support to better understand the key numbers driving your business. See page 49 for contact details.

CASE STUDY

Case Study – Killowen Farm

NICHOLAS DUNNE
CEO, Killowen Farm

Killowen Farm is a family-run business that produces award-winning live yogurt. Having recently announced an expansion plan and an investment of €4 million, *ifac's* David Leydon spoke with Nicholas Dunne, CEO of Killowen Farm, to learn more.

Growth levers

The conversation began by discussing some of the key reasons why the business has grown over the past decade:

- Getting their branding right has led to 15-20% organic growth year-on-year for their branded yogurt range. The authentic story of how all the milk in their products comes from cows on their own farm has resonated with consumers.
- In tandem with this brand story, their commercial success has strongly benefited from their private label business where Killowen Farm produce a range of products for national retailers.
- Covid-19 helped the business to grow their retail business as consumers traded up to better products. This trend has continued. Killowen Farm are finding consumers are slow to revert to products of reduced quality and the work from home trend is playing into this, as part of the "eating out" budget is spent on higher quality food for consumption at home.
- Killowen Farm have won multiple awards down the years, and these too have helped sales and branding.
- The final major growth driver was launched in the last few months – the team at Killowen Farm are now producing Kerrygold cream cheese for the German market. Cream cheese is a significant category in Germany and after four years of collaboration with Ornua, their cream cheese product is now on shelves. This is a step change for the business and while the *"German market is very demanding; we've found a very good partner in Ornua".*

Routes to market

Nicholas and the team have a well-diversified route to market strategy:

- Retail in Ireland both branded and private label
- Food service
- Contract manufacturing (e.g. Cream cheese for Ornua)
- International sales to Germany but also high quality premium branded yogurt to Dubai, Singapore and Malaysia.

While significant efforts are needed to manage and service a broader commercial strategy like this, the benefits including diversity in work for staff, cross learnings from different channels and the commercial robustness that gets embedded into the business, outweigh any negatives.

Understanding challenges

- The business has never experienced the inflation they are experiencing today. This means pricing to be competitive while maintaining a sensible margin is challenging.
- Interest rate increases will make cost of finance more expensive.
- Supply chain disruption is putting a lot of pressure on the procurement team. Where once there was a six-week lead time on packaging, this has now moved to twelve weeks. The result is double the stock on site, twice the storage space required and twice the capital tied up. It also means more staff time devoted to making sure packaging is used correctly. The process has become much more complex than before. This brings plenty of day-to-day challenges, for example, when a promotion is planned to calculate the amount of packaging given the length of lead times can be difficult.

> **"Manufacturing has absorbed all possible cost increases and unfortunately the consumer will be faced with higher prices. It's a balancing act with the retailer as everyone understands the need to be competitive but food businesses must make a margin to stay in business."**

Team

Nicholas now employs 70 people on site. It is a large employer in the locality. However, it's getting tougher to recruit and retain staff. There are many options and salaries across the board have increased by more than was ever expected. Nicholas notes, *"We are also lucky to have a great support network from Enterprise Ireland, consultants and our accountancy and tax partner, ifac".*

Food trends and the future

When it comes to food trends, Nicholas points to a few key ones that are impacting on Killowen Farm:

- Consumer expectation of quality has increased
- Story of the brand is more important
- Big move to frozen yogurt in protein category
- Health and gut health in particular are important trends
- Low fat making a comeback (although this might be because fat is so expensive at the moment that some major manufacturers see the removal of fat as a way to maintain a lower priced product).

On the future, Nicholas is very upbeat. He believes the team is in place to drive the business forward and while they have a lot to do, he sees a bright future ahead for the Killowen Farm brand.

8 ESG Focus

With competition from more immediate challenges like rising input costs, the relative importance of Environmental, Social and Governance (ESG) factors is down year-on-year but they remain an important part of operating a successful food business or agribusiness in Ireland.

Sustaining a level of investment in ESG can be a challenge for most SMEs so our case study with Goatsbrigde Trout Farm highlights some practical ways to meaningfully engage with ESG initiatives.

WHAT ARE THE KEY INITIATIVES IN PLACE TO TACKLE CLIMATE CHANGE?

Food businesses and agribusinesses continue to engage with initiatives to tackle climate change, with the majority prioritising the management of waste and by-products. Investment in climate change initiatives can be seen across all size and types of businesses.

Managing waste and by-products	72%
Purchasing sustainable packaging including reducing use of plastic	56%
Investing in energy saving initiatives (e.g. energy audit)	50%
Choosing environmentally conscious suppliers	42%
Reducing travel	40%
Investing in solar or other renewable energy	38%
Created in-house green teams and champions	18%
Signed the Climate Change Pledge	13%

88%

of businesses are taking climate change action

ARE ESG FACTORS HIGH ON THE AGENDA FOR SENIOR LEADERSHIP?

ESG factors are high on the senior leadership agenda for 30% of SMEs. This is down from 39% in 2021. ESG is relatively higher on the leadership agenda for medium sized businesses (52%) in comparison to small businesses (34%). Family businesses are less like to have ESG on their agenda (26%) than non-family businesses (36%).

5 - Yes high on agenda	17%
4	13%
3	17%
2	9%
1 - Not on agenda at all	44%

BOARD OF DIRECTORS

58% of SMEs have a formal or advisory board structure in place, up from 52% in 2021. Medium sized businesses (91%) are more likely to have a structure, in comparison to small (70%) or micro (35%) businesses.

75% of businesses value this investment, highlighting the effectiveness of having a board or advisory structure in your business.

Leading a business can be an isolating experience at times. Only 10% of respondents engage a business coach or personal mentor. Business leaders within the sector need to seize the opportunity and prioritise time and resources to invest in themselves, with the positive knock-on effect for their business.

DO YOU HAVE A BOARD STRUCTURE IN PLACE?

Yes, formal board structure with non-executive directors	39%
Informal or advisory board structure	19%
No board structure	42%

HOW WOULD YOU RATE THE OVERALL EFFECTIVENESS OF YOUR BOARD OF DIRECTORS?

5 - Highly effective	38%
4	37%
3	18%
2	6%
1 - Not at all effective	1%

DO YOU USE ANY OF THE FOLLOWING?

A business coach or mentor	13%
A personal or life coach	3%
None of these	84%

CASE STUDY

Goatsbridge Trout Farm

Goatsbridge Trout Farm is a family-run business with a proud tradition of trout farming in County Kilkenny. David Leydon, Head of Food and Agribusiness at *ifac*, caught up with Mag Kirwan, co-owner of Goatsbridge Trout Farm, as she explains how ESG considerations have become an integral part of their recent business successes and their plans into the future.

Over the past 18 months Mag and her husband Ger have made a significant investment in their fish farm. The objective was a more environmentally as well as economically sustainable operation with better welfare for the fish, better utilisation of oxygen and reduced waste. Over the next decade the team at Goatsbridge are focussed on attaining carbon neutral status for their award winning trout.

Speaking about Origin Green, Mag commented, *"Origin Green is part of brand Ireland. It's one standard and when it was launched it was well ahead of its time. At a tradeshow in 2012, buyers from major European retailers were fascinated. Today, Origin Green certification is important for our export business into the UK and a great speaking point with our customers who are demanding retail buyers".*

At a local level, Goatsbridge put a lot of energy and time into being an inclusive and good employer in South Kilkenny.

Next steps on the Goatsbridge sustainability story include the installation of solar panels and an increased effort to reduce non-recyclable packaging. After recently attaining the very highest accreditation for food safety, BRC AA, and with a clear focus on ESG drivers, internationalisation is a priority over the next 24 months.

Mag and Ger Kirwan, Goatsbrigde Trout Farm

9 Research and Development

As more challenges appear on the horizon for food and agribusinesses, Research and Development (R&D) can play a role in overcoming issues like increasing costs, emissions targets and staff shortages.

Investment in R&D remains broadly in line with 2021 with half of businesses investing. Medium sized food businesses are more likely to invest in this area.

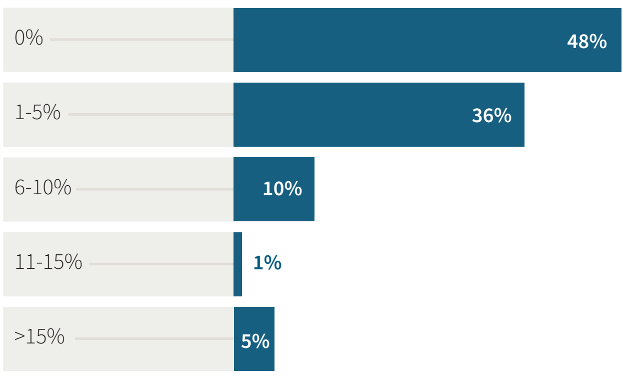
Jim Fitzsimons provides an overview of how to maximise R&D Tax Credits for your business.

R&D INVESTMENT

This year's research shows a slight drop in the number of food and agribusinesses investing with 48% not investing compared to 44% last year. While the overall number of businesses investing in R&D is down, there are a greater number of businesses investing more than 15% of their turnover in R&D, up three percentage points from 2021.

There is a higher level of structured R&D among medium sized businesses and those that are not family run.

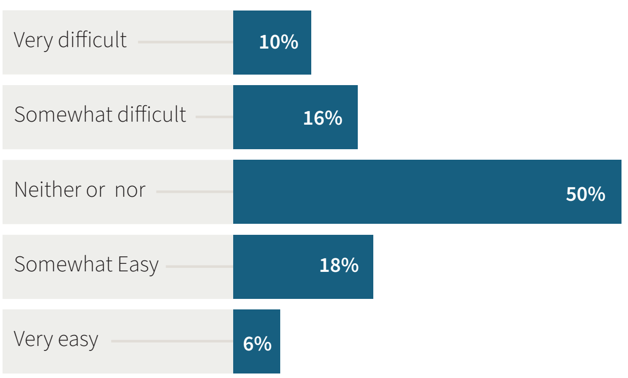
INVESTMENT IN R&D AS A PERCENTAGE OF TURNOVER



APPLYING FOR R&D TAX CREDITS

While businesses can avail of the 25% R&D Tax Credit, investment in R&D remains low. Our research shows only 1 in 4 businesses find it easy to apply and manage R&D Tax Credits.

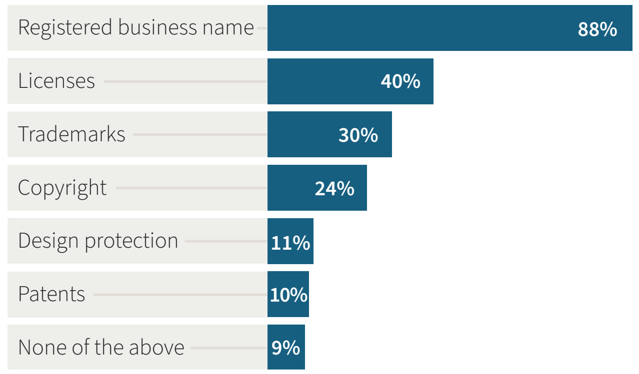
HOW EASY OR DIFFICULT IS IT FOR YOUR BUSINESS TO MANAGE AND APPLY FOR R&D TAX CREDITS?



INTELLECTUAL PROPERTY (IP) PROTECTION

Having a registered business name continues to be the most popular method for businesses to protect their intellectual property with 88% of businesses taking this step.

INTELLECTUAL PROPERTY (IP) PROTECTION METHODS USED BY BUSINESSES



JIM FITZSIMONS
Research and Development Consultant

Maximising R&D Tax Credits for your SME

At ifac we work with clients to maximise their relevant tax reliefs. When it comes to R&D Tax Credits, Jim Fitzsimons, an experienced R&D consultant, works closely with the ifac tax team to ensure our clients are accessing R&D Tax Credits effectively. Jim shares insights on R&D Tax Credits below.

Investments in research and development activities may qualify for the R&D Tax Credit. The credit is calculated at 25% of qualifying expenditure and is used to reduce a company's Corporation Tax (CT). Businesses that have offset current and previous years' CT liabilities, may apply for a credit payable in instalments.

Qualification

R&D Tax Credits are available to all companies. Loss making companies can carry over credits until they are in profit. To qualify for the R&D Tax Credit, a company's research and development activities must:

a. Involve systemic, investigative, or experimental activities
b. Be in the field of science or technology
c. Involve one or more of these categories of R&D:
   — basic research
   — applied research
   — experimental development
d. Seek to make scientific or technological advancement
e. Involve the resolution of scientific or technological uncertainty.

R&D Tax Credits eligibility is not always about Blue Sky research but equally it does not include routine activities such as new product development, routine problem solving or simple knowledge transfer.

How to apply

A company should use the Revenue Online Service (ROS) to claim the credit on their Corporate Tax return. Businesses should work with their accountant or external advisers to ensure their claim meets all the requirements before applying. The Research and Development Tax Credit manual can provide businesses with detailed guidance on the types of activities and expenditure that qualify. Claims must be made within 12 months from the end of the accounting period in which the expenditure is incurred.

Defending your claim

Your claim will need to be well justified in technical terms and the costs well recorded. This should be done via a detailed financial document and a separate technical document.

As Revenue will want to audit your claim, they will hire their own technical experts to assess the eligibility of your documents and therefore you will need to present them in a technical way.

If you can justify the work in terms of eligibility, costs and technical requirements, the rewards are substantial. Given the resources involved it is a good idea to use the services of a specialist company to avoid investing time and money in ineligible projects.

R&D examples from the food sector

- "Clean labels" (e.g. elimination of allergens and additives)
- Novel/new ingredients – function and behaviour
- Increasing shelf life
- Reducing food waste
- Packaging innovations

R&D examples from the agri sector

- Novel ways of processing cereals where machinery settings are not in the public domain
- Entirely novel pieces of machinery or machinery components
- Novel formulations and packaging methods for animal feeds
- Novel ways of diagnosing and/or treating animal ailments
- Novel ways of feeding nutrients to animals and plant

Looking to maximise your R&D Tax Credits? Get in touch with us to find out more. See page 49 for contact details.

Overview
Business Performance and Outlook
Funding your Business
ifac Supports Guide
Standing out in a competitive market
Exports and Brexit
People and Culture
Food Focus
ESG Focus
Research and Development
Digital Transformation
Agtech Focus
Transitioning your Business
Personal Finance

10 Digital Transformation

While 62% of businesses plan to invest in technology across different business functions, only 1 in 3 are trading online.

With cybersecurity threats on the rise, 73% of food and agribusiness SMEs have taken steps to protect their businesses.

Our case study shows how SMEs like Finnegan's Farm are transforming their business using digital solutions.

TRADING ONLINE

Almost 1 in 3 businesses are trading online but only 8% are doing a lot of business online. There has been an increase in the number of businesses with no plans to trade online, up to 65% from 57% last year. Similar to last year, agribusinesses are less likely to consider trading online when compared with food businesses.

Businesses were most engaged with e-commerce in 2020 at the height of pandemic restrictions when 37% were trading online at some level but as we return to normal market conditions this appetite has waned somewhat to 30%.

Yes, trading and a lot of business being done	8%
Yes, trading but very little business being done	22%
No but have plans to do this	5%
No and no plans to	65%

TECHNOLOGY INVESTMENTS

Investments in technology by SMEs are down 5-percentage points on 2021 levels to 51%. In particular, investment in working from home technology is down 13 percentage points.

Businesses have increased their investment in office automation this year to 22% from 15% last year. There has also been an increased investment in cybersecurity and robotics.

TECHNOLOGY INVESTMENTS (LAST 12 MONTHS)

	2022	2021
Office automation (sales, marketing, accountancy)	22%	15%
Online sales	20%	22%
Working from home tech e.g. Zoom or Teams	18%	31%
Cybersecurity	15%	12%
Robotics/cobots/automation	11%	7%
Data analytics	9%	5%
Sensors	6%	2%
Artificial Intelligence (AI)	5%	n/a
Wearable technology	4%	2%
Other please specify	3%	-
None of the above	49%	44%

PLANS FOR TECHNOLOGY INVESTMENT

To increase internal capacity, 35% of businesses intend to invest in their employee's technology skills through training. Just over half (53%) will invest in their website, either refreshing (31%) or building a new one (22%).

Micro businesses are the least likely to invest in technology with two thirds stating that they do not intend to invest in this area.

FOCUS OF FUTURE INVESTMENTS

Staff training	35%
A refreshed website	31%
A new website	22%
E-commerce functionality	20%
Investment in content marketing	15%
Investment in search and social paid advertising	15%
A dedicated app	9%
Do not plan on investing in this area	38%

CYBERSECURITY

According to the Hiscox Cyber Readiness Report 2022*, half of Irish businesses have experienced a cyberattack and the median cost associated with an attack is €16,500. There has been a number of high-profile cyberattacks on Irish organisations including the HSE ransomware attack in May 2021.

On a more positive note, three quarters of food and agribusinesses have taken steps to reduce the potential impact of a cyberattack. Nearly half (48%) of SMEs have firewalls in place and 47% have anti-virus software in place.

However, only one third have conducted staff training and 27% have not taken any steps to protect their business from a cyberattack.

CYBERSECURITY ACTIONS

Firewalls	48%
Enhanced protection (i.e. Anti-Virus software)	47%
Data backup systems adopted or enhanced	43%
Email filtering (Spam etc)	41%
Enhanced password policy (i.e change every 30 days)	36%
Staff training (email phishing etc)	33%
Multifactor Authentication or Secure ID Log In systems	26%
Centralised account security (ie. Active Directory)	24%
Patch management or software changes	21%
Other	4%
None or No steps taken	27%

CASE STUDY

Finnegan's Farm

Finnegan's Farm is based in the heart of the Boyne Valley region in County Meath and is a business that is addressing their recruitment challenges in an innovative way. Paul Finnegan, Director of Finnegan's Farm, tells us how their social media content has played a key role in their recruitment strategy.

Tell us a little about your business?

We are an award-winning tillage and food production business supplying retailers such as Dunnes Stores with fresh produce and readymade meals. We are 5th generation farmers and currently have about 70 staff spread across the business.

How have you recruited your staff in the past?

Traditionally word of mouth, ads in the local papers, social media or local people just calling into the business were always good ways for us to recruit new team members. With the pandemic, less people were calling into the farm so that source of recruitment has been less influential in the last year or so.

How has your content improved recruitment?

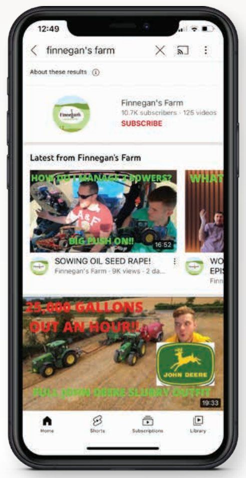
The majority of our team come from a farming background. This can be a niche audience to recruit from so we decided to start capturing the stories from our farm and sharing them on platforms like YouTube, Facebook, Instagram, LinkedIn and Twitter. Effectively we were showcasing what we do to the type of people that we would like to work with us. We are getting 10,000+ YouTube views on average for each weekly post and we are seeing a lot of people connecting to see how they can work with us.

Why do you think the videos are making you seem attractive to potential team members?

We enjoy making the videos and try to include fun elements like "Tips and Tricks" or a weekly Irish saying from Marco, our welder. People see the great atmosphere that we have, the high-quality machinery that we work with, the technical knowledge of our team members and they want to come join the team.

What advice would you give to food and agribusinesses who may be struggling to find the right staff?

We have tried to showcase our business as professionally as possible so have invested in good quality equipment including a drone, a GoPro, mics and editing software. We are lucky that we have team members who are interested in capturing videos. Having someone on your team to lead this project will be important. The main thing would be to give it a try, be as natural as possible and don't try to oversell your business as a place to work. If it's good enough, people will be attracted to you.



To learn more about Finnegan's Farm, search **"Finnegan's Farm"** on YouTube

*www.hiscoxgroup.com/sites/group/files/documents/2022-05/22054%20%20Hiscox%20Cyber%20Readiness%20Report%202022-EN_0.pdf

Overview
Business Performance and Outlook
Funding your Business
ifac Supports Guide
Standing out in a competitive market
Exports and Brexit
People and Culture
Food Focus
ESG Focus
Research and Development
Digital Transformation
Agtech Focus
Transitioning your Business
Personal Finance

11 Agtech Focus

Farming has always adopted new technologies from the plough to the first surge milking machine in 1922 to today where artificial intelligence is being applied to complex agri challenges.

As we move to a less carbon-intensive farming system while still having to feed a growing global population, which is estimated to grow to 9.7 billion by 2050*, technology will be critical.

Recently, Enterprise Ireland dedicated a Development Adviser to the agtech sector while a new representative body, Agtech Ireland, has been established to serve the interests of agtech companies. Agtech is now an important part of the Irish agricultural landscape.

We have gathered perspectives from some of our agtech clients on growing their businesses and got a view from James Maloney of Enterprise Ireland on some of the key watchouts from the State agency's perspective.

*www.un.org/development/desa/en/news/population/world-population-prospects-2019.html

Client Spotlight: Some of Ireland's leading agtech Companies

At *ifac* we are fortunate to work with some of Ireland's leading agtech companies. Flying the flag for Irish agtech, these companies are at the cutting edge of developing solutions for farmers on a global scale.

We sat down with four of the entrepreneurs leading these growing companies to get an understanding of how they have grown their businesses to date and how they plan on continuing this trajectory.

Padraig Hennessey
CEO, TERRA NutriTECH (TNT)

TERRA NutriTECH's mission is to bring precision to farms, making animals healthier and life easier for farmers all over the world. TNT's range of liquid minerals and technology combine to ensure farmers can achieve better outputs and optimal health for their herd.

What is the biggest challenge you have faced to date as a company and how did you overcome it?

Cashflow in an expanding business is always one of the toughest challenges. Constant analysis and cashflow forecasting are essential when expanding as the old adage of *"cash is king"* is always true. Keeping a good relationship with your bank and seeing potential deficits months ahead of schedule is invaluable for getting the right liquidity in place.

What steps do you take to ensure your product is farmer friendly?

As a company we always aim to keep very close to our end users (farmers). We do this by constantly discussing both existing products and new projects in development with our customers. This helps keep us grounded and ensure we only develop solutions for problems that are really affecting farmers productivity.

We all can go down rabbit holes and believe the path we are on is the correct one but sit down with your end user and they will quickly tell you if what you are doing is working for them and where they see value.

TERRA NutriTECH has made great strides internationally in recent years. How have you driven this growth and what advice would you have for agtech companies looking to go international?

International growth is about getting out and talking to international partners who really know the market in their country. No two countries are the same and all have their own unique ways of doing business and problems that they are looking to solve. Tailoring your offering for these markets helps to gain traction and build long lasting relationships with your in-country partners.

My advice for agtech companies starting out on the international journey is, in general it will take you longer than you expected to gain traction as each country will want to evaluate your product for their market. It's a hard journey but remember many markets are a multiple of the size of our own market here in Ireland so it's worth sticking with it for the prize at the end.

Sean Smith
Co-Founder & Commercial Director, Micron Agritech

Micron Agritech is an Irish start-up focused on driving the future of animal health through rapid diagnostics. Their artificial intelligence technology enables vets and farmers to rapidly detect parasites in animals, allowing for targeted treatment which saves time and money.

What is the biggest challenge you have faced to date as a company and how did you overcome it?

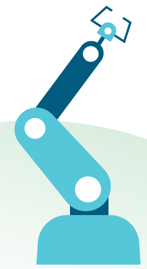
The founding team started full-time work on building the business in the Summer of 2020, the peak of the pandemic. Working remotely to develop the product, build the team and raise capital was a major challenge. Raising money was particularly challenging due to the fact that investors were less likely to commit without meeting in-person. Thankfully, we attracted some brilliant investors including Enterprise Ireland and The Yield Lab, who have both continued to take part in subsequent rounds.

What steps do you take to ensure your product is user friendly?

We have deployed user-centred design methods from the beginning when building our physical and software products. Right from the initial concept to prototypes and through to final product, we have continuously engaged with vets and farmers to ensure we are solving real problems for them. The goal is to make life easier for farmers and vets who use the Micron Kit.

Micron Agritech recently had a number of considerable fundraises. What tips would you have for other agtech businesses trying to secure investment?

Like any business relationship, there should be a strategic fit between you and your potential investors. Identify early if they align with your vision for the business, because if they don't it may put a strain on the relationship in the long-term. You should also consider how investors can support you aside from providing funding. We have been lucky that our investors have provided lots of additional value through their networks and industry knowledge.



Lloyd and David Pearson

Co-Managing Directors, Pearson Milking Technology

Pearson Milking Technology have been manufacturing and developing quality milking equipment for over 70 years. Through ongoing R&D they we have expanded the product range to develop cutting edge technologies for both Irish and International markets.

What is the biggest challenge you have faced to date as a company and how did you overcome it?

Our biggest challenge was moving from a smaller size company to a larger size company. We had to bridge the gap in both our management team and also financially to be able to grow sustainably. Our senior management team did courses such as Enterprise Ireland's "Go Global For Growth" programme. This gave us real framework to set out our strategy for growth in both our home market and also opening up the international markets. We found this to be the best return of any investment that the company would have made in recent years.

What steps do you take to ensure your product is farmer friendly?

Firstly, we listen to farmers' problems, whether it is when we are servicing the machine or when we are dealing with them on the sales side. We also have quite a few dairy farmer working on our team and so they will always give their advice. We then test our innovations on our local dairy units to get more feedback before we launch a product to the market.

Pearson Milking Technology have engaged in a significant amount of R&D recently. What processes have you had to put in place to have an effective R&D strategy?

We have a structured R&D department. "Fail fast, fail cheap" is one part of the Lean methodology we use. We have many far-reaching ideas but we need to see will they have any impact on the market very quickly. If they don't we try to find that out as soon as possible. We also use different R&D mining techniques such as Future Mining which is about creating ideas by anticipating the future.

Agtech Ireland

Founded in 2020, Agtech Ireland represents agtech companies across the country covering policy, research and issues effecting all farm levels. The organisation emerged from a need to facilitate greater collaboration between agtech companies and has created a growing space where agtech businesses can come together and share ideas.

Governed by an executive council made up of industry representatives, the aim of the organisation is to showcase the benefits of technology adoption on farm and highlight how agtech can play an increasing role in the future of the sector.

Networking and educational events, international collaboration, bi-monthly newsletters, and governmental engagement are just some of the key areas of focus for Agtech Ireland.

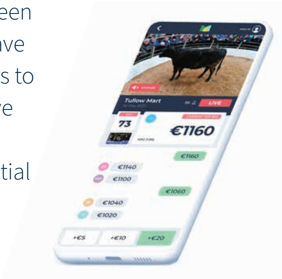
If you would like to become a member, get in touch by email: info@agtechireland.ie and learn more at www.agtechireland.ie

Ciaran Feeney

Co-Founder, MartEye

MartEye helps marts to sell and farmers to buy livestock and machinery online.

What is the biggest challenge you have faced to date as a company and how did you overcome it?



The biggest challenge so far has been hiring software developers who have the necessary experience and skills to join the team. To overcome this, we advertised fully remote positions which increased the pool of potential candidates significantly. This has really paid off so far as we have some excellent developers on the team who are bringing their own world view to the table.

What steps do you take to ensure your product is farmer friendly?

We prepare detailed user stories followed by high fidelity designs prior to any software development taking place. Using these designs, we can quickly adjust our product so that it is as user friendly as possible.

MartEye's time to market during the Covid-19 pandemic was exceptionally fast. How did the MartEye team make this happen and what were the key learnings?

The market required an immediate solution which meant we really had to consider what was absolutely necessary so that we could have a functioning platform as soon as possible. We utilised cloud services wherever possible so we could move fast but we also built our own media pipeline as we recognised early that video delivery would make up a significant portion of the overall cost.

In terms of key learnings, I think the main one is how simple the product can be when there is a true need for it.

JAMES MALONEY

Senior Development Adviser – Agritech, Climate and Sustainability

The target is set – farming and the Agritech Sector

2022 has been an exciting year for the development of the agritech sector, both for Enterprise Ireland and the wider industry. The landscape of farming in Ireland is changing and the target is set with the goal to reduce emissions from the sector by 25%.

Enterprise Ireland's new strategy 'Leading in a Changing World' allowed for the creation of a new Climate, Sustainability and Agritech Department. This new department will focus on developing our agritech clients while also working on the sustainability agenda with all companies across the agency.

Collaboration with all our stakeholders will be key as we are keen to grow the agritech sector and the export markets.

At present we estimate that the agritech sector generates approximately €1 billion in sales, employing about 4,500 people. The target is to develop our technology and products that our clients offer, creating new opportunities for them on a world stage.

In May this year we ran our first discussion group series in association with Agtech Ireland looking at the export journey. It was positive to see a great level of knowledge sharing that will allow us to build future seminars and supports.

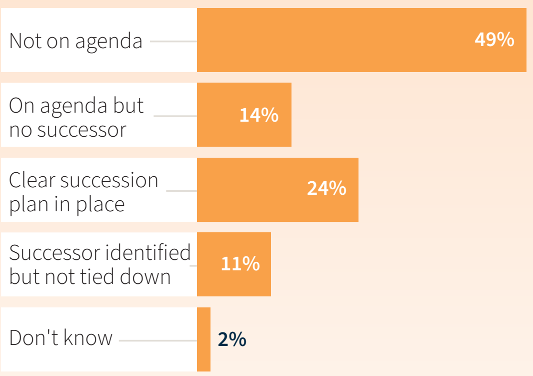
The challenge is set for the industry now, this is the moment for our agritech sector to help deliver the change that is needed to secure the future of the next generation of food producers and farmers globally.

12 Transitioning your Business

Succession can be a difficult topic to explore when considering the future of your business. However, when discussed in advance with all relevant parties and structured correctly, effective succession planning can provide clarity and give reassurance to all those involved.

Our client case study with Cormac Tagging highlights how a Management Buy-Out can be an effective way to transition your business.

SUCCESSION PLAN IN PLACE



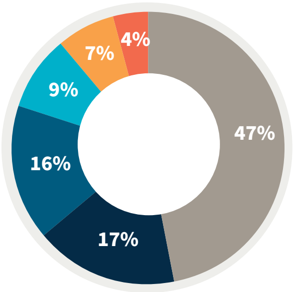
SUCCESSION

Similar to 2021, succession is not on the agenda for 1 in 2 businesses and only 1 in 4 have a clear succession plan in place. Not putting thought into succession remains the most common reason for business owners not creating a plan (47%).

Only 18% are considering a sale of their business in the next 5 years, down 28% year-on-year. While the number of business owners looking to sell their business is down, for those looking to sell the reasons remain the same.

Making the decision to retire (38%), difficulty operating in the current climate (38%) and reduced margins (28%) are the three most popular reasons driving these exits.

CHALLENGES TO SUCCESSION PLANNING



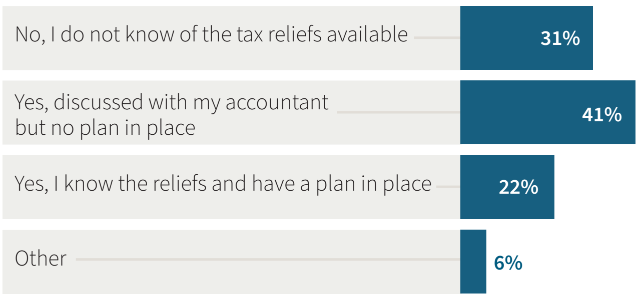
DECLAN MCEVOY,
Head of Tax, *ifac*

"In the current environment we know that SME business owners are focused on minimising their tax bills and getting their tax structure right. We also know that cash retention is paramount while making tax efficient payments to key employees is a vital tool in any exit. Our tax team work with business owners to deliver a practical solution driven approach on these critical matters."

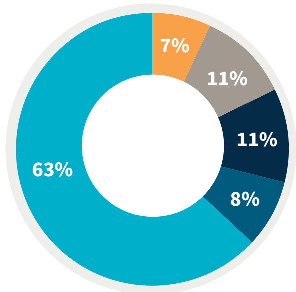
TAX RELIEFS

31% of business owners do not know the tax reliefs available to them with only 22% having a plan in place to avail of these reliefs.

DOES YOUR BUSINESS TRANSITION PLAN TAKE TAX RELIEFS INTO CONSIDERATION?



WOULD YOU LIKE TO SELL YOUR BUSINESS IN THE NEXT 5 YEARS?



CASE STUDY

Cormac Tagging Management Buy-Out (MBO)

Ursula Kelly is one of 5 daughters of TJ and Kitty Gormley. TJ set up Cormac Sheep Equipment in the 1980s following the closure of the sugar factory in Tuam. This was followed with the opening of Tuam Farm Supplies and when sheep tagging was introduced in 2001 TJ started to print tags in Tuam. All their daughters worked in the business during their school and college years.

By 2013 Ursula had re-joined the business after spending time as a financial controller in other businesses post-college. At this stage cattle tag sales in Ireland were restricted to one supplier for the Irish market. TJ and Ursula believed farmers should have choice and after multiple tenders over a decade and a legal battle they eventually got approval from the Department of Agriculture, Food and the Marine to become the second cattle tag supplier in December 2016.

Since then Cormac Tagging has grown market share rapidly, from one part-time person handling sheep tags in 2015 to 37 full-time staff at peak periods in 2022.

By 2020 TJ and Kitty were looking at retirement options. There were a number of ideas explored including an approach to acquire the company by an international buyer. After examining the options in consultation with the team in *ifac*, a Management Buy-Out (MBO) was the decided option.

At this point *ifac* and Ursula worked together to:

- agree on the valuation
- identify funding structure and discuss it with the providers of the finance (bank)
- agree Heads of Terms
- receive legal, tax and company law advice on the proposed structure. From a tax perspective, examine Capital Gains Tax or Corporation Tax on capital gains, Stamp Duty and VAT as well as looking at retirement, business and entrepreneurial reliefs
- put relevant MBO structure in place
- raise funds, and
- complete MBO and prepare and submit relevant tax/legal and company law documentation.

The MBO has worked very well with Declan McEvoy, Head of Tax with *ifac* noting,

"This was an interesting and challenging case. While Cormac Tagging had the financial resources to finance the MBO, these funds could not be accessed due to tax rules. With the assistance of their bank, finance was obtained which will be repaid out of future earnings. We're delighted to have worked with Ursula to execute the MBO and wish TJ and Kitty the very best in their retirement."

In terms of future plans Ursula is committed to continuing to sustainably grow the business, invest in R&D, build a great team and maximise international sales opportunities given the seasonal nature of Irish calving. Cormac Tagging works closely with Enterprise Ireland and their support has been invaluable.

Ursula commented,

"I'm very grateful for the extraordinary efforts of TJ and Kitty. They were very innovative and the business evolved all through the 1980s, 1990s, and into the 2000s making sure there was a solid business in place. I'm really honoured to be leading Cormac Tagging now and look forward to the challenge and opportunities this presents."

In terms of advice for other family businesses, Ursula is clear that the process takes a long time, has some ups and downs, and that the family business dynamic brings its own complexities. With the benefit of hindsight, conversations about succession should take place as early as possible and not be left until one generation are at retirement age.

In addition to this, having good tax, legal and professional services teams in place are vital as well as a good banker.

"I was lucky with AIB who were very supportive of the MBO, while ifac's David Leydon and Declan McEvoy worked with me on every step of the journey."

Ultimately this is all about self-belief,

"The key ingredients for me are a super team alongside a passion for the role our quality products play on Irish farms. I am looking forward to scaling Cormac Tagging to even greater success and exploring EID, DNA and other agtech collaboration possibilities."


Ursula Kelly and TJ Gormley

13 Personal Finance

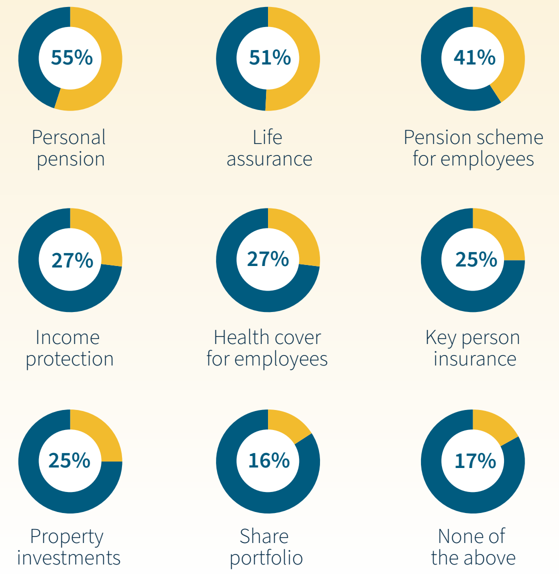
It can be difficult for SME business owners to prioritise their own financial planning needs when focusing on their business. Only 55% of business owners have a personal pension and only 27% have income protection in place.

Looking after employees continues to be important for business owners with the number of businesses providing health cover for employees up 50% year-on-year.

Martin Glennon, Head of Financial Planning, advises on the best way to navigate the changing pension landscape.

PERSONAL FINANCE PRIORITIES

The personal finance priorities for business owners are mainly in line with 2021 figures.



PERSONAL WEALTH PLANNING

7 in 10 business owners do not have a personal wealth plan, while only 11% have a plan in place and agreed with their financial advisor.

40%

of business owners do not have a Will

Working with a financial advisor can help you to complete your wealth plan by understanding your financial needs and how to work towards these goals. Almost 50% of business owners plan on selling or transferring their business as part of their wealth plan.

PERSONAL WEALTH PLAN IN PLACE

Yes, plan in place and agreed with financial advisor	11%
Yes, have a plan in place	7%
Yes, in my head but not actioned	8%
No, do not have a personal wealth plan	69%

IS THE SALE OR TRANSFER OF YOUR BUSINESS INCLUDED AS PART OF YOUR LONG-TERM WEALTH PLAN?

Yes, written down and documented	12%
Yes, in my head	36%
No	40%

MARTIN GLENNON
Head of Financial Planning, *ifac*

Director Pensions – Big changes to availability and cost

The Pension Authority, who regulate occupational pension schemes, have recently announced a number of changes for one-person occupational pension schemes, more commonly known as Executive Pensions.

This has resulted in all pension providers **ceasing** new Executive Pension Plan (EPP) applications with immediate effect.

The option for a business to set up retirement plans for their owners or key staff is now only available through a Personal Retirement Savings Account (PRSA). One of the main benefits of an Executive Pension versus a PRSA, was the ability for the company to make contributions for previous years' service. This allows a company to defer making a pension contribution until a later date, an option that is not available through the restricted PRSA.

What if I have an existing Executive Pension plan?

The Pensions Authority have extended the requirement to produce an annual report and audited accounts to all pension schemes, irrespective of the scheme size or number of members. This now includes Executive Pension Plans. This is a significant additional requirement that had previously only been required for pension schemes with 100 or more members.

As a result of these changes, additional costs are expected to be imposed on these plans. For those that were established on or after 22 April 2021, the additional regulatory burden is immediate. Any existing Executive Pensions established on or before 21 April 2021, there are some transitional measures that will apply to these one-member arrangements during a 5-year derogation period (i.e. until 22 April 2026). Thereafter, these arrangements will also be required to produce annual reports and audited accounts.

What options do existing Executive Pension Plan owners have?

A. **Continue with existing arrangement** and accept the additional ongoing costs in the production of the annual report and audited accounts. These costs are still to be determined but would need to be paid for by deduction from the policy on an annual basis.

B. **Wind up and transfer.** Alternatively, you may decide that you do not wish to incur the additional costs. In this case your Executive Pension will need to be wound up at a future date and transferred to an alternative arrangement so as to avoid these costs on an ongoing basis. However, you should note that this requirement for an annual report and audited accounts may even be required if the scheme is in place for part of a year and subsequently wound up.

Given the implication of these changes to employers and plan members, those who hold existing Executive Pensions should expect to hear from their pension provider very soon. It is important that you talk through the implications with your advisor before you act.

If you require help in this area, *ifac* Financial Planning has a team of experienced advisers located throughout the country. Contact the Food and Agribusiness team, we would be delighted to help.

Research Methodology

Amárach Research was commissioned by *ifac* to carry out independent research among SMEs in the food and agribusiness sector in the Republic of Ireland. This year's research builds on four previous years with the initial benchmarking taking place in 2018.

The 2022 *ifac* SME sentiment survey fieldwork took place during June and July 2022. This 2022 research is the fifth wave of this study, following initial benchmarking in 2018 and subsequent surveys in 2019, 2020 and 2021.

The original approach of conducting 15-to-20-minute telephone interviews with SME senior management/business owners presented new challenges during the peak years of the Covid-19 pandemic, with many operating away from their offices and not available via the usual central telephone numbers and receptionist PA. For the research in 2021, an adjustment was made to allow two options for survey completion, telephone, or an invitation to take part in an online survey, if preferred. With many businesses still working remotely, this flexibility was extended into our 2022 report.

A total sample of 200 was achieved (159 telephone interviews and 41 online). The final sample structure closely reflects the profile of previous surveys in terms of company types and sizes.

The sample provides an estimated margin of error of +/- 7% with a 95% confidence interval.

The survey sample was divided into Micro, under 10 employees (43%), Small, 10-49 employees (40%) and Medium, 50-249 employees (17%) enterprises.

It is important to keep in mind that responses were provided after living through a global pandemic for over two years, a war in Ukraine and inflation at its highest level for nearly 40 years.

The survey design set out to over-sample the small and medium enterprises, to ensure a broad range of contributions. 43% of the sample is drawn from micro businesses and 40% from small businesses.

A range of business size by turnover is included, with two thirds having revenues of up to €3m and a range of larger turnovers of up to €20m+, accounting for 11% of those surveyed. There was a good spread of SMEs from across the country, within the four main regions. The majority were located outside of Dublin; Dublin (11%), Leinster excluding Dublin (27%), Munster (36%) and Connaught/Ulster (26%). All respondents were either owners, managers, or C-Suite level. Seven out of ten food and agribusinesses surveyed are family run.

A sample size of 200 allows for a confident interpretation of the findings both at an overall level and for the most part looking at region, sector, and size.

Amárach is an independent research consultancy, measuring the business implications of consumer and business trends in Ireland and abroad. Our quality standards reflect those set out in the ISO 9001 and ISO 20252 protocols.

Amárach publishes unique survey findings every week on its Twitter and LinkedIn pages:

@AmarachResearch

@Amarach-research

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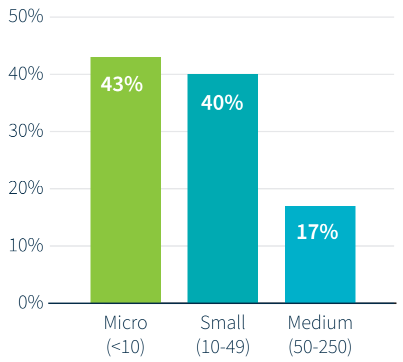
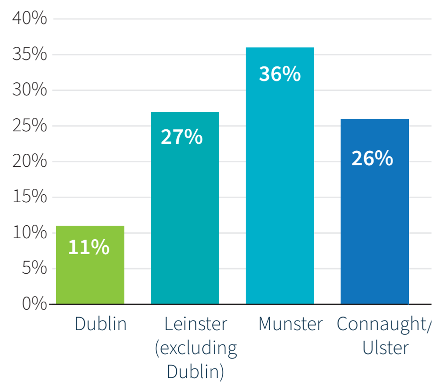
T +353 1 410 5200 | **F** +353 1 410 5007 | **W** www.amarach.com

Demographic Breakdown

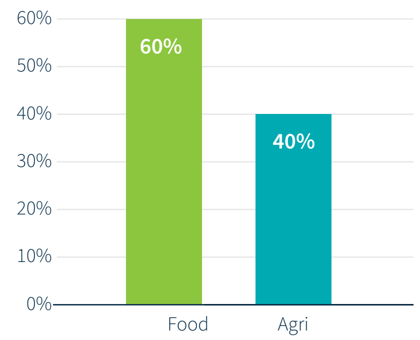
NUMBER OF EMPLOYEES



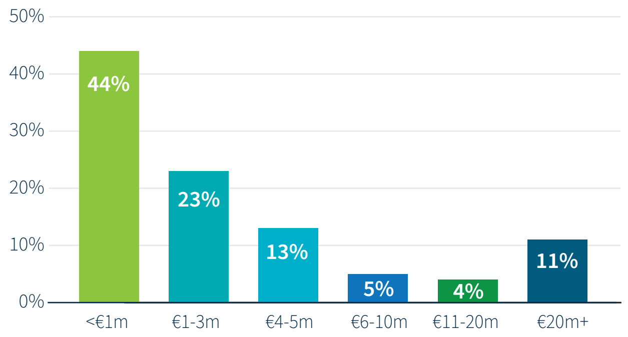
LOCATION



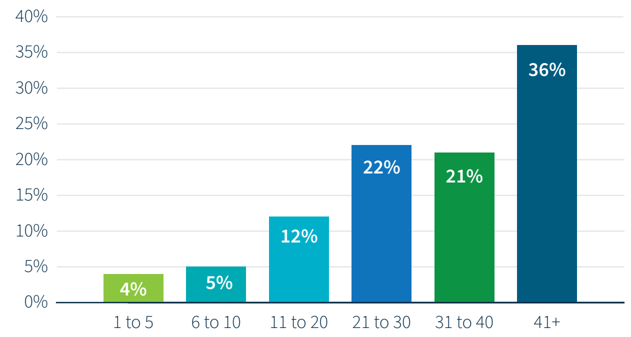
SECTOR



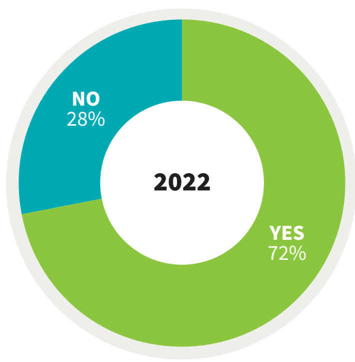
TURNOVER



YEARS ESTABLISHED

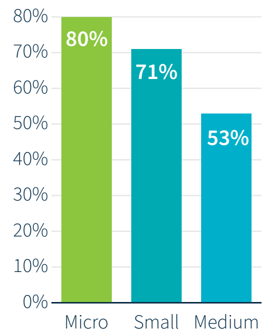


FAMILY RUN

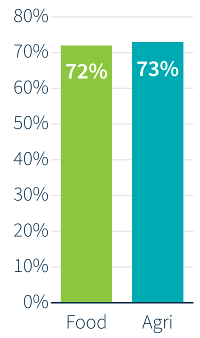


DEMOGRAPHICS FOR FAMILY RUN BUSINESSES

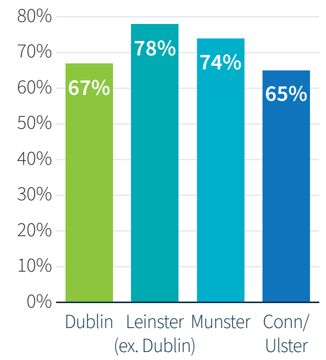
SCALE



SECTOR



LOCATION



Sound advice, independent solutions

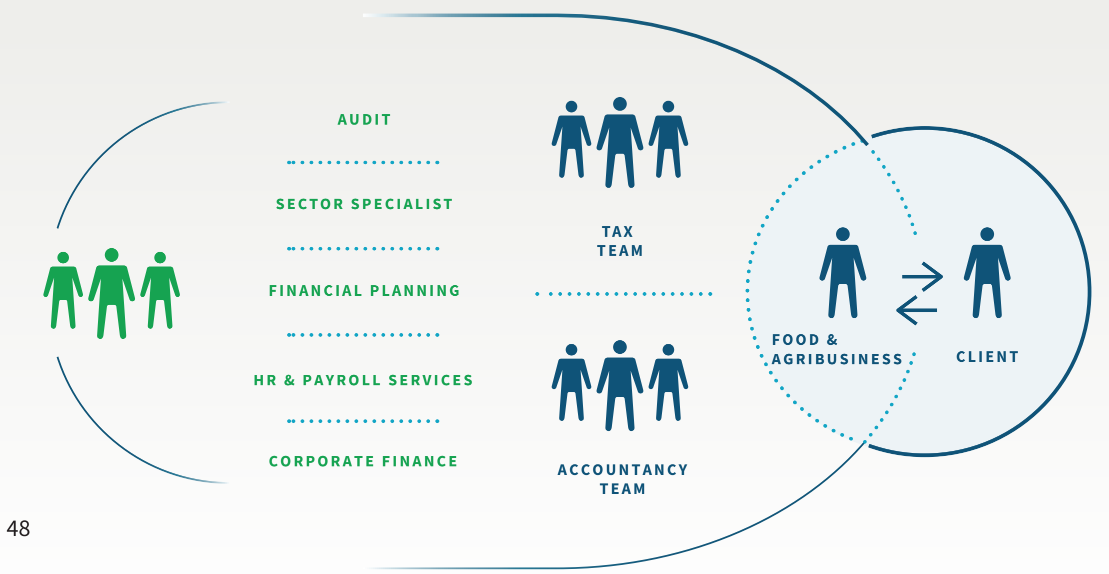
We specialise in a number of key areas which provide you with expert advice and services to help your business grow.

- Strategic Planning
- Funding, State Supports and Corporate Finance
- Digital Transformation
- Financial Accounting and Tax Compliance
- Tax Structuring, Succession and Advisory
- Research and Development
- Audit and Assurance
- Financial Planning
- Commercial Sales and Marketing Strategy
- HR & Payroll Services

RECENT ADVISORY TEAM ASSIGNMENTS

In *ifac*, we have a wide range of expertise and skillsets. This allows us to deliver a suite of services to clients using a holistic approach. Below are examples of some of the recent advisory projects we have undertaken.

- Conducted commercial due diligence analysis for the acquisition of a high profile agtech company in Ireland.
- Securing grant support and investment for clients including High Potential Start-Up (HPSU) and Competitive Start Fund (CSF) from Enterprise Ireland.
- Working with an innovative renewable energy company on a considerable international capital fundraise.
- Advised several businesses on their financial future through the Enterprise Ireland Business Financial Planning Grant.
- Creation and delivery of innovative marketing and digital strategies for high profile organisations in the sector.
- Managed market research for a number of companies and Government bodies including the project management of reports from research to design and publication.
- Securing R&D Tax Credits for agtech businesses.
- Facilitating licencing agreement for an agtech innovation.
- Providing advisory VAT and customs solutions to companies who have been affected by changes post-Brexit.
- Development of detailed business plans and financial projections to help secure bank finance.
- Managed multi-million euro equity investment into an Irish food business.



OUR APPROACH

ifac's Food & Agribusiness team will be the first point of contact between you, the local team and our national team of experts. This approach ensures you have access to the right knowledge and specialist advice that best suit the needs of your business.

CLIENT VIEW

Cultivate CREDIT UNION Farm Finance

"I really want to thank the food and agribusiness consultancy team at *ifac*. *Ifac* are the strategic marketing partner for Cultivate and have been since the summer of 2019.

They are helping us develop and execute a strategy that works really well in the agri sector and to build a brand that farmers can relate to. The results speak for themselves. They are working marvels, and they never cease to amaze us."

Finbarr O'Shea, *Board member of Collaborative Finance CLG and Chair of the Cultivate Marketing Committee*

"Our first project with *ifac* was a market research study, followed by R&D Tax Credits and refining our Financial Data Sheet for fundraising. Recently, we have started working with them on our annual accounts and audit. Their knowledge of the sector set them apart from any other firm we considered working with. *ifac* have been a great partner for our growing agtech business and as we continue to expand, we have the assurance that they will be there to support us as and when required."

Sean Smith, Co-Founder & Commercial Director, Micron Agritech

THE *ifac* ADVISORY TEAM FOR FOOD AND AGRIBUSINESSES

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Mary McDonagh
Head of HR & Payroll Services

Dermot Carey
Head of Audit Services

Martin Glennon
Head of Financial Planning

Declan McEvoy
Head of Tax

Andrew Brolly
Senior Accountant

A team of dedicated experts.

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

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

OUR OFFICES

Leinster

Bluebell, Dublin 12
Carlow, Co. Carlow
Drogheda, Co. Louth
Enniscorthy, Co. Wexford
Agri Practice, Danville, Co. Kilkenny
SME, Danville, Co. Kilkenny
Payroll Services, Danville, Co. Kilkenny
Mullingar, Co. Westmeath
Portlaoise, Co. Laois
Trim, Co. Meath
Tullamore, Co. Offaly
Wicklow, Co. Wicklow

Connacht

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

Munster

Bandon, Co. Cork
Blarney, Co. Cork
Cahir, Co. Tipperary
Farm Support, Cahir, Co. Tipperary
Dungarvan, Co. Waterford
Ennis, Co. Clare
Limerick City
Mallow, Co. Cork
Nenagh, Co. Tipperary
Skibbereen, Co. Cork
Templemore, Co. Tipperary
Tralee, Co. Kerry

Ulster

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

Specialist Services

Audit
Company Secretarial Services
Corporate Finance
Farm Support
Financial Planning
Food & Agribusiness Advisory
HR and Payroll Services
Tax Advisory

#*ifac*Report

Stay in touch for updates and news:

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