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Agri Matters

Autumn 2026

Welcome to our Autumn 2026 Edition of Agri Matters

Dónal Walsh
Chief Editor

As I write this, there is a different kind of energy around the country. Mayo supporters are still celebrating an All-Ireland victory that many thought they might never see in their lifetime, ending a wait of 75 years. Meanwhile, in the Midlands, Westmeath fans are enjoying the glow of only their second-ever Leinster Senior Football title. Both achievements are reminders that success rarely arrives overnight. It is built through persistence, resilience and the willingness to keep going, even when the odds appear stacked. I imagine farmers will appreciate that sentiment more than most.

That persistence, resilience and willingness are central to life on Irish farms. This year to date has brought its share of challenges, from reduced prices and rising input costs to weather extremes that have shaped growing conditions both at home and across Europe. Yet, despite the uncertainty, Irish agriculture continues to demonstrate its ability to adapt and move forward. In many ways, farming and sport share a common thread: success is often determined not by the setbacks, but by how we respond to them.

This edition of Agri Matters reflects that spirit of resilience and ambition. Inside, we explore the issues shaping the sector as we head into the winter, from market outlooks and financial planning to farm management and productivity improvements. Whether you're visiting us at the Ploughing Championships or reading this from the kitchen table, I hope you find something of value in the pages ahead. On behalf of everyone in AIB, I look forward to meeting many of you at the National Ploughing Championships and wish you a successful and safe end to the year, both on the farm and beyond.

Confidence Built on Strong Foundations

Colin Hunt
Chief Executive Officer of AIB Group

The Irish farming sector has experienced significant change over the past decade, but one constant has remained: the resilience and determination of farm families across the country. Whether responding to market volatility, rising costs, changing regulations or evolving consumer demands, farmers have consistently shown an ability to adapt and move forward with confidence.

That resilience is evident not only in the fields and farmyards of Ireland, but also in the financial strength of the sector. Ten years ago, outstanding SME agricultural borrowings stood at almost €3.9 billion. Today, that figure is closer to €2.8 billion, representing a reduction of more than €1 billion over the period. At the same time, new lending to agriculture continues to remain strong, with approximately €700 million advanced annually to support investment and growth.

What these figures demonstrate is a sector that continues to invest while carefully managing its finances. Farmers are modernising facilities, improving efficiency and positioning their businesses for the future, all while reducing overall debt levels. In an increasingly uncertain world, that combination of investment and financial discipline is a powerful indicator of confidence in the long-term future of Irish agriculture.

At AIB, we are proud to support farmers and agri-businesses at every stage of that journey. Agriculture remains one of Ireland's most important industries, underpinning rural communities, driving economic activity and supplying world-class food products to customers at home and abroad. We see first-hand the ambition, innovation and commitment that exists throughout the sector, and we remain committed to helping our customers achieve their goals.

I am particularly looking forward to meeting many of you at this year's National Ploughing Championships. The event is a celebration of everything that makes Irish agriculture special and provides an opportunity to hear directly from the people shaping its future. The latest lending figures tell a positive story, but they only reflect what many of us already know: Irish agriculture is built on strong foundations, and the outlook for the sector remains bright.

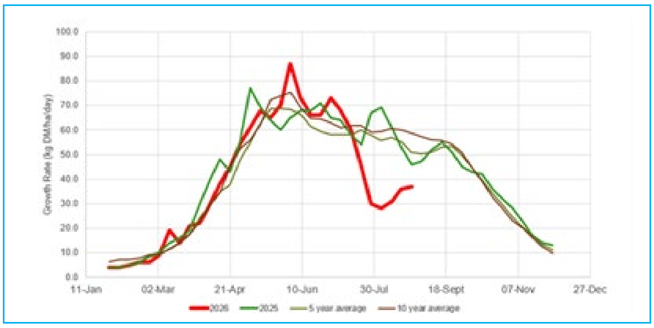
Donal Whelton AIB Head of Agriculture, Food & Fisheries

Irish Agriculture 2026: Challenges, Costs and Cautious Optimism

Donal Whelton
AIB Head of Agriculture,
Food & Fisheries

Irish agriculture enters the second half of 2026 amid a mixed market environment, with strong livestock prices in some sectors offset by rising input costs and ongoing global uncertainty. Beef and sheep producers continued to benefit from tight supplies and supportive prices, while dairy and tillage farmers face a more challenging backdrop as margins come under pressure from weaker commodity markets and higher production costs. The prolonged dry spell during the summer has added further pressure, reducing grass growth, increasing demand for supplementary feed and increasing costs on many farms.

Global events continue to influence farm profitability. Conflict in the Middle East has contributed to higher fertiliser and fuel costs, while weather extremes across Europe are increasingly impacting agricultural production and market dynamics. Recent heatwaves have affected milk output and crop growth in several producing regions, highlighting the growing importance of weather-related risks.



Grass Growth Curve from Pasture Base Ireland farms 2025, 2026, 5 and 10 year average

Beef

The Irish beef sector has experienced a notable shift over the first half of 2026. Following the exceptional prices achieved during 2025, factory quotes came under pressure during the spring as weaker consumer demand across key export markets, increased competition from imported beef and broader economic uncertainty weighed on trade. However, market sentiment has improved in recent weeks, with tighter cattle supplies supporting a recovery in factory prices. Current base quotes are in the region of €6.70/kg for steers and €6.80/kg for heifers[1].

Despite some volatility in pricing, the underlying supply picture remains supportive. Irish cattle throughput is running approximately 6% below last year, with over 59,000 fewer cattle processed year to date[1]. The sharpest decline has occurred in cow throughput, while reduced cattle numbers across Ireland and the wider EU continue to constrain beef availability. According to Teagasc EU beef production is forecast to decline by 2.6% in 2026, reflecting ongoing herd contraction and supporting the longer-term outlook for beef prices[2].

Input costs continue to present challenges for beef producers. Fertiliser prices have increased significantly in 2026, while fuel costs have also moved higher. Consequently, total production costs on both suckler and finishing enterprises are expected to rise this year. While feed prices have remained relatively stable, higher overall costs continue to place pressure on margins, particularly for intensive finishing systems. Producers who purchased stores at elevated prices earlier in the season are exposed to any weakness in finished cattle prices.

The outlook for the Irish beef sector remains positive. Reduced cattle availability in Ireland and across Europe should continue to underpin the market, provided consumer demand remains reasonably stable. Recent improvements in factory quotes highlight the impact of tightening supplies, and further downside appears limited given the constrained production outlook. While the recent drought has increased fodder and feeding costs for some producers, tightening supplies continue to provide strong support for the market.

Dairy

The Irish dairy sector has faced a more challenging trading environment in 2026 following the strong returns of 2025. Increased milk production across the EU, US and New Zealand, combined with weaker butter markets earlier in the year, has placed significant pressure on dairy commodity values and farmgate milk prices. The average Irish milk price for 2026 is forecast at approximately 43c/l (VAT inclusive, actual constituents), almost 20% below 2025 levels, although Irish milk output has remained relatively stable, with milk intake for the first five months of 2026 running just 0.7% below the same period last year. However, dry and warm weather conditions affected production during the summer, with Irish milk output 3.2% lower in June[3].

There have, however, been some encouraging signs in recent weeks. The latest Global Dairy Trade (GDT) auction recorded a 2.3% increase in the overall index, marking the third consecutive gain. Stronger demand was evident across a number of key commodities, with skim milk powder increasing by 7.6% and whole milk powder rising by 3.0%. European markets have also strengthened, supported by lower milk production in key dairy regions such as France and Germany, where recent heatwaves curtailed milk supplies. While production levels have since recovered, the European milk supply forecast has been revised downwards and concerns around weather-related supply disruption have helped improve market sentiment. In addition, dairy demand has been stronger than expected during the summer months, with buyers returning to the market earlier than usual.

Input costs continue to weigh on profitability, with fertiliser and fuel prices moving higher during 2026. Teagasc estimates average milk production costs will rise to approximately 37c/l, while strong calf and cull cow prices continue to provide a buffer to farm incomes. The outlook is cautiously improving. While milk prices remain well below 2025 levels, strengthening commodity markets and slower milk supply growth across parts of Europe suggest the worst of the downturn may have passed. However, global milk production is still forecast to increase by approximately 1.7% during 2026, and thus cautious on the potential for significant price increases during the second half of the year given ongoing geopolitical uncertainty and a still-comfortable global supply position.

Pigs

The Irish pig sector continues to deliver strong production levels despite a weaker pricing environment than experienced in 2025. Irish Grade E pig prices are currently averaging approximately €1.90/kg including VAT, around 16% below the same period last year, reflecting continued pressure across European pigmeat markets. Across the EU, prices are averaging approximately €1.79/kg including VAT, highlighting the more challenging trading conditions facing producers.

On the supply side, throughput remains robust. Irish pig throughput exceeded 2.19 million head during the first 33 weeks of 2026, running almost 76,000 head ahead of the same period last year. Fattener pig throughput is up 3.4% year-on-year, while Teagasc notes that Irish-born pig slaughter volumes increased by 1.6% during the first half of the year. At the same time, feed accounts for approximately 68% of production costs, while energy, labour and healthcare costs have all risen, placing pressure on margins.

Looking ahead, strong throughput levels suggest pig supplies will remain comfortable through the remainder of the year, limiting the scope for a significant price recovery. Increased pigmeat availability within the EU, partly linked to African Swine Fever restrictions on Spanish exports, is also weighing on market returns. Nevertheless, stable processing demand and disciplined production growth should help maintain market balance, with profitability remaining closely tied to feed costs, export demand and wider EU market developments.

Sheep

The Irish sheep sector continues to benefit from strong market fundamentals, with tight supplies supporting lamb prices across Ireland and Europe. The average reported deadweight lamb price is currently approximately €8.69/kg including VAT, remaining €0.54/kg ahead of the corresponding period last year. Reduced sheep numbers continue to underpin the market, with CSO data showing breeding sheep numbers declined by 2.7% year-on-year in 2025 to 2.61 million head. As flock contraction persists across Ireland, the UK and the wider EU, Irish sheepmeat production is forecast to decline in 2026, limiting available supplies and supporting market prices[3].

Demand remains broadly supportive, particularly across continental Europe, which continues to be the key destination for Irish sheepmeat exports. While UK demand has softened, reduced European production has helped maintain a favourable supply-demand balance, with Irish exports performing ahead of last year to date. Higher fertiliser and fuel costs continue to increase production expenses, although strong lamb prices have largely offset these pressures.

The outlook for the sector remains positive. Continued flock contraction is expected to keep supplies tight, supporting lamb prices and modest improvements in farm margins. While rising costs and broader economic uncertainty remain risks, constrained output and firm consumer demand should continue to provide a supportive trading environment through the remainder of 2026.

Tillage

The Irish tillage sector remains under pressure as it enters the 2026 harvest period, with crop margins continuing to be challenged by elevated input costs and lower production volumes. While cereal markets have shown greater stability than in recent years, farmgate wheat and barley prices remain broadly unchanged on 2025 levels. Current harvest prices reflect relatively comfortable European grain supplies and higher carry-in stocks, although expectations of lower global inventories and tightening stocks later in the marketing year may provide some support to prices beyond harvest.

On the supply side, production is expected to fall following a reduction in planted area and mixed growing conditions. Department of Agriculture data indicates that tillage area declined by approximately 2% in 2026, while forecasts total cereal production could be as much as 10% lower than last year2. Although harvest conditions have generally been favourable, earlier wet weather and more recent dry conditions are expected to weigh on overall output volumes. Across Europe, lower wheat and barley production forecasts are helping to gradually tighten supply-demand balances, although stocks remain adequate by historical standards.

Input costs remain a key concern for growers. Fertiliser prices have increased significantly during 2026, driven by higher energy costs and geopolitical uncertainty, while fuel costs have also risen. It is anticipated that direct costs on the average tillage farm will increase this year, placing further pressure on profitability despite relatively stable grain prices.

The outlook for the Irish tillage sector remains cautiously balanced. While lower production volumes and higher input costs are expected to constrain farm incomes in the short term, there are signs of improving market fundamentals. Teagasc expects cereal prices may strengthen as the marketing year progresses, supported by declining European grain stocks and firmer global supply conditions. Overall, the sector faces another challenging year, but more stable grain markets and the prospect of improved pricing later in the season should provide some support for growers navigating continued cost pressures and market uncertainty.

Conclusion

As Irish agriculture moves through the second half of 2026, the outlook remains mixed across sectors. Strong livestock prices and tightening supplies continue to support returns in the beef and sheep sectors, while dairy, pig and tillage producers face a more challenging margin environment amid softer commodity markets and higher input costs. Geopolitical uncertainty, weather-related disruptions and ongoing cost inflation are expected to remain key themes in the months ahead. However, the resilience demonstrated by Irish farmers in recent years, coupled with generally sound sector fundamentals, provides grounds for cautious optimism. However, if weather-related challenges or market volatility are placing pressure on your cashflow, or are expected to do so in the months ahead, we encourage you to contact us early to discuss the support options that may be available. While challenges remain, the sector has repeatedly demonstrated its ability to adapt and respond to changing conditions, positioning it well to navigate whatever lies ahead.

[1]Bord Bia Market Trends
[2]Teagasc Mid-Year Update Report
[3]Central Statistics Office Crops and Livestock June 2025

Irish economy remained resilient throughout 2025

Jim O'Toole
CEO, Bord Bia

Ireland's agri-food exports have demonstrated remarkable resilience over the past number of years, rising from approximately €11 billion ten years ago (2016) to reach over €18 billion last year.

This growth in total agri-food exports has occurred against the backdrop of one of the most volatile trading environments in decades. Inflation, geopolitical tensions, supply chain disruption, climate-related events and shifting consumer behaviour have combined to create an increasingly unpredictable marketplace. Yet Irish food, drink and horticulture exporters have continued to strengthen their position internationally, supported by a strong reputation for quality, consistency and trusted production standards.

Notable challenges faced by the sector include rising labour, energy and input costs, which have squeezed margins across the supply chain. Changing trade patterns, new regulatory requirements and intensifying international competition have increased pressure on exporters to remain agile. For Irish farmers, more frequent extreme weather events and heightened animal disease risks have added further pressure to incomes.

Persistent cost-of-living pressures have made value a significant driver when it comes to grocery and foodservice spending. Despite value concerns, consumers continue to have high expectations around quality, transparency, and trust when it comes to their food. Sustainability may be less top-of-mind for many consumers, but at trade level, it has moved beyond a point of differentiation to become a core market expectation, with trade customers increasingly seeking credible evidence of environmental performance alongside assurances on quality, food safety and provenance.

While the sector's overall export performance continues to grow, the headline figures tell only part of the story. Beyond the aggregate export value lies a much more varied picture, with individual sectors experiencing markedly different market conditions and outcomes.

Beef

There was renewed confidence in Irish beef production in 2025, with tighter cattle supplies across key export markets and relatively stable demand driving a strong uplift in farmgate returns. A contraction in the Irish cattle kill, particularly in the second half of 2025, reduced production and export volumes. Strong market returns, however, offset lower supply, with beef exports exceeding €3 billion for the first time, reaching €3.25 billion.

Tight cattle availability continued into the first half of 2026 but was partly offset by higher average carcase weights. Strong cattle numbers on farm and similar levels of live exports are expected to increase throughput in the second half of the year, returning production to 2025 levels. High beef prices have prompted some consumers in Europe and the UK to switch to pork and poultry, while changing global trade dynamics have increased competition, particularly from non-European beef in the UK. Despite these challenges, Irish beef continues to perform strongly thanks to its grass-fed quality, traceability, sustainable production systems and reliable supply chain.

Sheepmeat

Irish sheepmeat exports faced a challenging 2025, with lower sheep supplies reducing export volumes. While strong lamb prices supported farmer returns, export performance was constrained by reduced production and continued consumer price sensitivity across key European markets.

Domestic sheep availability has stabilised during 2026, although reduced lamb imports from Northern Ireland have lowered overall processing numbers. Breeding ewe numbers increased by 1% in the latest census following several years of decline. Strong deadweight prices have improved confidence, while lower sheepmeat production across Europe should support the trade as the year progresses.

Dairy

2025 was a positive year for Irish dairy, supported by strong global prices for butter in the first half of the year and proteins in the second, rising farmgate milk prices and record milk collections. However, 2026 is proving more challenging. Irish milk collections are running 1.5–2.0% behind 2025 levels, while global milk supply, now around 4% higher year on year, has placed downward pressure on markets.

Protein demand remains robust, particularly for milk and whey proteins, but declining butter and cheese values are limiting co-ops' ability to sustain milk prices, which are approximately 20% lower year on year. Butter remains a key watchpoint, with commodity values struggling to consistently exceed €4,000 per tonne, down from around €7,500 per tonne in mid-2025. The outlook is not without positives: global supply growth is expected to slow to around 2.5%, helping reduce stocks and recovery in demand. Continued consumer interest in grass-fed dairy and protein-rich natural products also aligns well with Ireland's strengths.

Pigmeat and poultry

Pigmeat and poultry continue to benefit from demand for affordable, versatile proteins in Ireland and internationally.

During the first half of 2026, poultry remained particularly well positioned as consumers across Europe favoured lower-cost proteins amid ongoing inflationary pressures. Tight supplies supported trade, although disease risk, supply constraints and import competition remain key challenges.

For pigmeat, Irish throughput remained ahead of last year during the first half of 2026, but this improved supply coincided with softer pricing, increased global availability and intense export market competition. Global supply trends, geopolitical uncertainty, input costs and market access will remain key watchpoints. Protecting value and continuing to diversify export opportunities will be priorities for the remainder of 2026.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Irish economy set to expand at a solid pace once again

Daniel Noonan
AIB Economic Research Unit

Unsurprisingly given the open nature of the Irish economy, uncertainty – largely stemming from frequent changes in US trade policy – had a significant effect on headline growth last year. Data from the Central Statistics Office (CSO) indicates that despite contracting in the final quarter of the year, Irish GDP surged by 8.0% overall in 2025. This was largely driven by a massive frontloading of exports in the first half of the year, as firms tried to avoid higher tariff rates from the US. Indeed, goods trade data shows that exports jumped by 37.6% year-on-year in H1 but fell by 3.5% annually in H2. In total, goods exports were 16.4% higher in 2025 compared to 2024. An increase in pharma related exports (up 39%), due to the emergence of weight-loss drug production in the south of the country, also contributed heavily to the rise in total exports. Meanwhile, the domestic economy remained solid in 2025. Modified domestic demand (MDD), a better measure of how the domestic economy is performing compared to GDP, expanded by 4.7%, up from 1.8% in 2024. However, this was partly due to an increase in investment related to the Artificial Intelligence (AI) buildout, which inflated growth compared to underlying activity in the economy. Indeed, personal consumption and government expenditure rose by a more modest 2.6% and 3.2%, respectively, last year.

Other metrics indicate that the Irish economy continued to perform very well last year. The labour market, in particular, remained in robust shape, albeit conditions softened somewhat. Employment rose by 2.2% in 2025, down from 2.7% and 3.4%, in 2024 and 2023. Meantime, the unemployment rate drifted slightly higher, averaging 4.7% last year compared to 4.3% in 2024. The continued strength of the labour market contributed to a 4.3% increase in the total income tax take, while steady rises in VAT receipts (+4.3%) and excise duties (+3.7%) also suggest that economic activity expanded at a solid pace last year. Healthy conditions in the labour market also gave rise to sustained wage growth, with average weekly earnings increasing by over 4% in 2025. Importantly, this means that for a second consecutive year, real wage growth (wage growth minus inflation) was positive. Headline HICP inflation (under the EU-wide standard measure) known as HICP averaged 2.1% last year.

The available data for the first half of 2026 suggest that the economy has remained resilient, despite significant geopolitical tensions globally. However, GDP remains very volatile. Output plunged by 7.5% year-on-year in H1, largely due to a sharp unwinding of the surge in exports seen during the same period in 2025. In contrast though, MDD suggests that the domestic economy remains in robust shape, expanding by 3.4% year-on-year in the first three months of the year (data are only available for Q1). Personal consumption (+2.9%) and government spending (+1.1%) continued to rise, but once again, investment boosted by artificial intelligence (AI) related expenditure (+6.5%) provided significant impetus for growth in the quarter. Meantime, conditions in the labour market have moderated. Employment growth was close to flat in year-on-year terms in Q1. At the same time, the unemployment rate continued to tick slightly higher, averaging 5.0% in the first half of the year. Meanwhile, inflation has increased amid a jump in energy prices due to the conflict in the Middle East. HICP inflation rose to 3.6% in April/May, up from 2.7% at the end of last year. It printed at 3.2% in June and has averaged 3.2% in the first half of 2026.

Turning to the agricultural sector, the preliminary estimate from the CSO shows that the total operating surplus rose by 23% last year, to €5.3bn, due to a significant increase in the value of cattle. Looking at the key underlying trends for 2025 from the data, cattle prices moved 43% higher, albeit volumes were down by 5%, meaning their value grew by €1.1bn (36%) to €4.2bn. The value of milk production increased by 8% to €4.5bn last year. Similar to cattle, the price of horses rose but volumes fell, resulting in a 14% rise in overall value. Elsewhere, both prices and volumes of poultry increased, lifting the value by 9%. Pigs were the only category of livestock to experience a drop in value, falling by 5%. Crop output fell by 3% to €2.7bn in 2025, as an increase in cereal volumes was offset by a fall in prices, and the value of forage plants and other crops declined.

Exports of food and live animals jumped by 10.1% last year to €16.7bn. Furthermore, the rise in exports was broad-based, with all sub-categories except cereals expanding. The value of meat and dairy exports led the way, however, and remained by far our largest agri-related exports. The former increased by 12% and the latter by 15.3%. Geographically, agri and food related exports to all of our key partners except China rose last year. The EU remained our largest trading partner in the sector, hoovering up 38% of our exports, followed by Great Britain (28%), Northern Ireland (13%), the US (6%), and China (2%).

Meanwhile, the CSO estimates that the cost of farming inputs rose outright by 5% in 2025, primarily due to an increase in the price of fertilisers, which rose by around 5%. The volume of fertilisers bought also rose sharply by 16%. At the same time, expenditure on animal feed was up by 3.5%, despite a 2% fall in prices. Similarly, farm spending on wages and contract work is projected to have increased by 8.1% and 2.8%.

Looking ahead, it is clear that the outlook for the Agri-sector, much like the wider Irish economy, will depend on the evolution of the global economic backdrop. The conflict in the Middle East and disruptions to shipping through the Strait of Hormuz, has left the globe dealing with another energy price shock. Although it has not been as severe as the energy shock experienced in 2022, it has nevertheless led to an increase in inflation across the world. The conflict has also increased the level of uncertainty, which was already elevated because of ever-changing US trade policy. The war has also impacted global monetary policy. The ECB hiked rates by 25bps in June, and the market now expects at least one further 25bps hike by the end of 2026. This would bring the ECB deposit rate up to 2.50% from 2.00% at the start of this year. Similarly in the US and the UK, market rate expectations have shifted from potential rate cuts to potential rate hikes in 2026. Tighter monetary policy across the globe could act as a headwind to growth in some of Ireland's key export markets.

The IMF is projecting very modest growth for the global economy this year. World GDP is forecast to rise by just 3.0%, down from 3.5% last year and an average of 3.7% per annum in the twenty years before the COVID-19 Pandemic. Furthermore, the expected growth rate for this year would be lower if the fallout from the war in the Middle East was not being offset by very high levels of investment in relation to AI in many advanced economies, particularly the US. However, a renewed and sustained escalation in the Middle East war remains a substantial downside risk for the world economy.

Against this backdrop, the near-term outlook for the Irish economy has become more challenging and less certain. Overall though, the domestic economy is still expected to expand at a steady pace over the next few years. In its latest Quarterly Bulletin, the Central Bank of Ireland (CBI) notes that MDD growth is likely to moderate to 3.3% this year and to 2.8% next year. Inflation, which is pencilled-in to average 3.5% in 2026 and 2.9% in 2027, is projected to dampen real incomes and weigh on consumption. However, investment is likely to remain supported by AI-related expenditure. Meanwhile, significant planned investment in general infrastructure, particularly housing, as outlined in the National Development Plan should also support the economy.

While Ireland is exposed to the energy price shock, it should be noted that we have built up significant fiscal resilience. In particular, the continued surge in tax receipts (albeit heavily reliant on the FDI sector) means that the Exchequer has recorded substantial surpluses in recent years. At the same time, household and business balance sheets remain in a healthy position, characterised by low debt levels and high savings. Together, these factors provide a buffer which should help the economy navigate another potential crisis.

AIB Proudly Sponsors AHI's Weanling Ready Event at Gortatlea Mart

Pictured at the AHI Weanling Ready event in Gortatlea Mart, proudly sponsored by AIB, were Michelle McGrath (AHI), Kelley Lyons (AIB), Maurice Brosnan (Manager, Gortatlea Mart), Sean O'Sullivan (Castle Vets), Eilis Gill (AHI) and the winner of the event's "Guess the Weight of the Heifer" competition.

Farmers and industry stakeholders gather at the Irish Grassland Association Dairy Summer Tour 2026, proudly supported by AIB, for a day of practical insights and knowledge sharing.

Low Carbon Footprint of Irish Grains

Siobhan Kavanagh & John Mahon Signpost Programme

Siobhan Kavanagh
Signpost Programme Communications and Engagement Specialist

John Mahon
Signpost Programme Communications and Engagement Specialist

The tillage sector has considerable potential to contribute to reducing emissions by producing low-carbon feed ingredients for livestock feeding. Native grains and legumes such as barley, wheat, oats and field beans have a substantially lower carbon footprint than many imported feed materials, particularly imported cereals, maize and soyabean products. Why? Because they require shorter transport distances, are produced under Irish growing conditions, and boast a competitive higher yield advantage versus imported feeds. Imported grains and protein feeds accumulate additional emissions from international transport, processing and production systems.

We measure the carbon footprint of grain or meat or milk using Life Cycle Assessment (LCA). This is the international scientific methodology used to compare the carbon emissions associated with different feed ingredients. This is mapped as "Cradle to Grave" footprinting, meaning the emissions associated with grain from raw material extraction e.g. with fertiliser manufacture in country of origin, to the grain leaving the farm gate. Results are expressed as carbon footprint per unit of output: kgCO2eq per tonne of feed, in this case. The analysis shows that Irish-grown grains emits considerably lower emissions per tonne than imported alternatives. Typically, in the range 200 - 250 kgCO2eq/t, compared to 350 - 400 kgCO2eq/t for imported feed. This makes Irish grains an attractive option for reducing emissions without requiring major changes to livestock production systems.

A recently presented example from Teagasc compared a typical concentrate dairy cow ration, based largely on imported ingredients, with one containing approximately 65% native Irish grain. This substitution almost halved the carbon intensity of the concentrate mix itself, demonstrating that feed formulation offers a substantial opportunity for emissions reduction. When this high native grain ration was fed on a dairy farm for the full year, it was calculated that it could reduce the carbon footprint of milk production (kg CO2eq / kg FPCM) by approximately 7%. Similar benefits are expected across beef, sheep and other livestock enterprises that rely on compound feeds.

Such improvements can be achieved without compromising the nutritional status of the concentrate feed, provided they are correctly balanced.

There are huge economic and strategic benefits to increasing domestic grain production. Greater use of native grains reduces dependence on volatile international feed markets, improves national food and feed security, and creates additional market opportunities for Irish tillage farmers. It provides provenance of supply, and reassurance that the feed is produced to stringent quality standards imposed by strict EU regulations about pesticide use and maximum residue levels. Strengthening the link between Ireland's livestock and tillage sectors would allow more value to remain within the domestic agricultural economy while supporting national climate objectives.

To maximise these benefits, grain production itself must continue to reduce emissions. Nitrogen fertiliser represents the largest source of greenhouse gas emissions on tillage farms (approximately 70%). Improving nitrogen-use efficiency, optimising fertiliser application, adopting precision farming technologies, substituting with organic manures, growing cover crops, straw incorporation, maintaining soil fertility and improving crop management can further reduce the carbon footprint of native grain production. As these improvements are implemented, Irish grain will become an even lower-carbon feed source.

Accurate carbon accounting is essential. New tools, such as AgNav Tillage, allow farmers to calculate and benchmark the carbon footprint of grain production, providing credible data that can be used throughout the supply chain. Transparent measurement will enable processors and livestock farmers to demonstrate the climate benefits of sourcing low-carbon native grain and may create future opportunities for market differentiation or incentives linked to emissions performance.

Overall, expanding the use of Irish-grown grains is one of the most practical and immediately available measures for reducing agricultural greenhouse gas emissions. Unlike some emerging mitigation technologies, increasing native grain inclusion requires no major technological breakthroughs and can be implemented using existing farming systems. By replacing imported feed ingredients, supporting sustainable tillage production, improving carbon measurement and strengthening collaboration between the tillage and livestock sectors, Ireland can make meaningful progress towards its climate targets while maintaining productive and competitive farming systems.

Looking Beyond Tax: Why Autumn is the Perfect Time to Review Your Farm Finances

Barry Hyland
AIB Agri Advisor

As summer gives way to autumn, many farmers will be sitting down with their accountant or tax adviser to review the year that's been. After a period of relatively strong farmgate prices it's understandable that attention often turns quickly to tax planning. However, while managing tax efficiently is important, it should only form one part of a much broader financial conversation.

The most successful farm businesses regularly step back and ask not just how much profit they made, but how financially prepared they are for the opportunities and challenges that lie ahead.

Year-end financial planning is an opportunity to assess the overall health of the farm business, identify areas for improvement and ensure the farm is well positioned for the year ahead.

Understanding Farm Performance

One of the first areas worth reviewing is farm performance. How did the business perform compared to last year? Which enterprises delivered the strongest returns, and where were costs higher than expected?

Taking the time to analyse key performance indicators can provide valuable insights. Comparing performance with industry benchmarks can often highlight opportunities to improve efficiency and profitability.

In many cases, small improvements in technical performance such as calving rate, liveweight gain, grass utilisation or feed efficiency, can have a greater long-term impact on profitability than major cost-cutting measures. Understanding where the farm performs well and where improvements can be made is the first step towards building a stronger business.

Maintaining Healthy Cashflow

Cash flow is another area that deserves close attention. A farm can be profitable on paper and still experience cash flow challenges during the year.

Reviewing bank statements can highlight periods where cash was under pressure. Understanding these pinch points can help better plan working capital requirements and ensure sufficient funds are available to meet future commitments.

Cash flow planning should also reflect family living expenses, education costs, pensions and other personal financial commitments, as these can have a significant impact on overall financial requirements.

Building Financial Resilience

As spring tends to be the most cash-intensive period on most farms, now is a good time to assess whether existing cash reserves, savings or credit facilities will be sufficient to cover operating costs and input purchases.

Strong liquidity is often what separates businesses that can take advantage of opportunities from those that are forced to react to events. Having savings available will mean that you have some funds to direct towards opportunities that may arise such as stock, machinery or land purchase, while also providing peace of mind during more challenging periods.

Taking a Strategic Approach to Tax Planning

Tax planning remains a key part of the year-end review, but decisions should be made as part of a broader financial strategy.

Farmers should work closely with their accountant to estimate likely taxable income, consider the timing of stock sales or purchases and understand what capital allowances may be available on recent investments. Ensuring records are up to date, including invoices, receipts and bank reconciliations, can make the process much more straightforward.

The objective should not simply be to reduce a tax bill but to ensure that tax decisions support the long-term goals of the farm business.

Reviewing Investments and Future Plans

The year-end review is also an ideal opportunity to assess farm assets and recent investments. Whether it is machinery, buildings, land improvements or leased land, every investment should ideally contribute to improving productivity, reducing labour requirements or enhancing profitability.

Before committing to future expenditure, farmers should ask whether planned investments align with the long-term objectives of the business and whether the projected returns justify the cost.

Not every investment needs to increase output. Some of the most valuable investments are those that improve quality of life, reduce labour pressure or create more time for family and off-farm activities.

Knowing What You Have

Livestock, feed, fertiliser, grain and forage stocks all represent value within the farm business and should form part of any financial review.

Completing a stocktake can provide a clearer picture of the farm's current position and can help inform management decisions for the winter months and the coming production year. Accurate stock valuations are also important from both financial reporting and tax planning perspectives.

Preparing for Uncertainty

Agriculture has always been a cyclical industry, with periods of strong profitability often followed by more challenging trading conditions.

Commodity price fluctuations, weather events and input cost inflation can all impact farm profitability. Stress-testing cash flow projections and maintaining a financial buffer can help ensure the business remains resilient when conditions become more difficult.

Planning for the Future

Financial planning isn't just about reviewing the past; it is also about preparing for the future.

Setting clear goals for the next 12 months, identifying potential efficiency gains and assessing opportunities for expansion, diversification or labour-saving technology can help build a stronger and more sustainable farm operation.

The strongest farm plans tend to balance ambition with realism. Having clear objectives is important, but matching those objectives with the farm's financial capacity is equally critical. A well-prepared budget can help ensure that plans remain achievable and sustainable.

Don't Forget Succession Planning

While succession is often viewed as a legal or tax issue, it is equally a financial planning discussion. Early conversations can provide clarity for all involved and help ensure future investment decisions are aligned with the farm's long-term ownership plans.

Open discussions with family members about future ownership and management responsibilities can help avoid uncertainty and provide a roadmap for the next generation. Reviewing wills, legal arrangements and the potential tax implications of any transfer should also form part of the conversation.

A Chance to Step Back and Reflect

As you review the year that's been, it can be useful to ask yourself a few simple questions:

- Will the farm generate enough cash to meet next year's commitments?
- Is debt at a comfortable and sustainable level?
- Are planned investments affordable?
- Is there sufficient liquidity to withstand a poor production or price year?
- Am I building a business that is financially resilient for the long term?

Taking a broader view of farm finances can help create a stronger, more resilient business. Financial planning is not simply an annual exercise for the accountant or the bank. It is an opportunity to step back, assess where the business stands today and decide where it wants to be in the future.

The farms that thrive over the long term are often those that combine strong technical performance with disciplined financial planning, ensuring they are prepared for both opportunities and challenges as they arise. Ultimately, good financial planning is not about the end of one year. It is about creating the foundations for success in the years ahead.

The AIB Team on Hand to Support Customers at the Tullamore Show

Pictured from L-R; Eamonn O'Reilly Agri Adviser, Martin Feeley Business Adviser BBBN KLO, Colin Walsh Mortgage Adviser, Tullamore, Geraldine Kenny Mortgage Adviser, Birr/Edenderry, Paul O'Connell, F&L Representative, Laois/Offaly, Adam Dolan, Sales & Service, Tullamore Branch, Mick Conlon AIB Agri Adviser.

AIB Autumn Agri Financial Clinics 2026

For the life you're after

To demonstrate AIB's continued support for the Agri sector, we will be hosting a series of financial clinics in 22 locations nationwide this October.

Date	Location	Agri Advisor
Wednesday 7 October	AIB Branch, North Main Street, Wexford	**Liam Phelan** 086 0231700
Wednesday 7 October	AIB Branch Tralee, Co. Kerry	**Shane McCarthy** 086 0081317
Wednesday 7 October	AIB Branch, 106 O'Connell Street, Limerick	**Kelley Lyons** 087 3523610
Wednesday 7 October	AIB Branch, The Diamond, Monaghan	**Barry Hyland** 086 3831661
Wednesday 7 October	AIB Branch, Nenagh, Co. Tipperary	**Chris Nolan** 086 0080272
Wednesday 7 October	AIB Branch, Ballybofey, Co. Donegal	**Patrick Butterly** 086 3831576
Wednesday 7 October	AIB Branch, Mallow, Co. Cork	**Michael Murphy** 086 7805216
Wednesday 7 October	AIB Branch, Church Street, Roscommon	**Nicola Fetherstone** 087 6578335
Thursday 8 October	AIB Branch, Mullingar, Co. Westmeath	**Eamonn O'Reilly** 087 2517806
Thursday 8 October	AIB Branch, Carrickmacross, Co. Monaghan	**Patrick Butterly** 086 3831576
Friday 9 October	AIB Branch, Tullamore, Co. Offaly	**Mick Conlon** 087 1872346
Friday 9 October	AIB Branch, Tuam, Co. Galway	**Nicola Fetherstone** 087 6578335
Tuesday 13 October	AIB Branch, Dungarvan, Co. Waterford	**Clodagh Forbes** 087 4756741
Wednesday 14 October	AIB Branch, Bandon, Co. Cork	**Shane McCarthy** 086 0081317
Wednesday 14 October	AIB Branch, 36/37 Tullow Street, Carlow	**Liam Phelan** 086 0231700
Wednesday 14 October	AIB Branch, 66 South Mall, Cork	**Michael Murphy** 086 7805216
Wednesday 14 October	AIB Branch, 41 Main Street, Cavan	**Barry Hyland** 086 3831661
Wednesday 14 October	AIB Branch, High Street, Kilkenny	**Chris Nolan** 086 0080272
Wednesday 14 October	AIB Branch, Ennis, Co. Clare	**Kelley Lyons** 087 3523610
Thursday 15 October	AIB Branch, Youghal, Co. Cork	**Clodagh Forbes** 087 4756741
Thursday 15 October	AIB Branch, Athlone, Co. Westmeath	**Eamonn O'Reilly** 087 2517806
Friday 16 October	AIB Branch, Kells, Co. Meath	**Mick Conlon** 087 1872346

AIB Agri Team

We have a dedicated Agri Advisor Team based around the country who support the needs of our farming customers. We are from farming backgrounds ourselves, so we have a practical understanding of the sector and bring a wealth of experience when looking at farm finance. Our team provide strong, objective farm financial and technical analysis on individual farm cases as needed.

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Drop in to
any branch, or visit
→ **www.aib.ie/farming**

Warning: The costs of your repayments may increase.

Warning: You may have to pay charges if you repay early, in full or in part, a fixed rate credit facility.

AIB/Agri Matters Autumn 08/26 EAA