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Agri Outlook

SPRING 2021

Growing Your Future

Insight into the emerging trends in farming and advice for your food or agribusiness

Foreword

John Donoghue
CEO

Welcome to our Spring edition of *Agri Outlook*.

We recently completed our Irish Farm Report 2021. It contains the views of 1700 Irish farmers from across the country. Our Report tells the story of farming in Ireland and what farmers believe the future will hold. While a lack of succession plans and Wills points to uncertainty, the farmer outlook for agriculture is relatively positive.

Each farming sector has its unique challenges. There are also some clear cross-sector challenges. Brexit, uncertainty around the future of CAP, the potential for significant climate-related restrictions and taxes, and changing dietary trends are increasing pressure on farmers.

The economic value of agriculture to Ireland is enormous. With the most significant positive impact on our rural economy. Agriculture supports over a hundred thousand farm families and many thousands of related jobs.

Farmers tell us they are embracing technology, finding new ways to do their work, and continuing to invest in their farms. Our own FarmPro and Cashminder services are part of the ag-tech revolution. If you know more about your finances, you can make better financial decisions, keep more of your money and build a better future. We are delivering on our promise to give farmers more information more often. FarmPro or Cashminder should be part of every farmer's tool kit.

The climate change challenge to farming is significant. Secure farm incomes and a sustainable reduced carbon future for agriculture are inextricably linked. A more equitable approach to sharing retail profits made on farmers' produce is vital for the sector's future. We can't ask farmers to reduce their output without protecting their income. A small investment in well-designed farm output and linked price models would go a long way to greening farming. Smart policies that drive smart production are part of the way forward.

The Statement of Strategy for Agriculture announced by Minister McConalogue leans into the future farmers want. Goal number 2 from the Statement promises to provide "income and targeted supports to farmers" to "underpin the rural economy." All positive news for farmers who are the engine of rural Ireland.

Irish agriculture has a positive future, and we can solve the many challenges to the sector. There is huge talent in the industry, and the innovation and investment taking place are incredible. That positive future will only be possible if Irish farming is unified, clear on our shared goals and ambitions, and articulate in representing our interests in the years ahead. Imagine if all stakeholders were working together to create a bright future for the sector.

Philip O'Connor outlines more insights from our Irish Farm Report in this edition. The full Report is available from ifac.ie. If you want a print copy, don't hesitate to call.

Whatever the future brings, *ifac* will be with farmers every step of the way.

Farm Structure - A Succession Planning Pathway

The Covid-19 pandemic has highlighted the importance of succession planning. Reviewing your business structure is a good place to start.

Declan McEvoy
Head of Tax

"How can I plan for succession when my family is still very young and I don't yet know who will succeed me?"

The answer is it is never too early to start planning. Your objective should be to structure your business in a way that protects you and your family now and will not disadvantage you in the future.

Farm businesses operate under one of three business structures — sole trader, partnership or limited company. When deciding which structure is right for you, it's important to take into account how you want your business to develop and who will eventually succeed you. You will need to review your structure from time to time and you may need to switch to an alternative structure as your business develops and/or family circumstances change.

Sole Trader

Traditionally, most farmers start out as sole traders which means that they trade as an individual rather than as a partnership or company. An advantage of the sole trader structure is that all of your farm income belongs to you and once you pay the relevant tax, you can spend the money as you wish. However, a disadvantage is that all of your profits (less capital allowances) are taxable regardless of whether you extract profits from the business or not. So, if your farm is very profitable, this can lead to large tax bills. This is why the most profitable farms usually adopt an alternative business structure.

Partnership

The partnership structure is a step up from sole trader. This has tangible business benefits in that partnerships can secure more grant aid, have a lower tax liability and better succession planning opportunities. Partnership also has a social advantage as it involves interacting with your business partner on a daily basis. This can help to counteract the loneliness and isolation that farmers sometimes feel. However, as in any relationship, disagreements can arise so every partnership should have a Partnership Agreement. This document needs to be formally drawn up. It sets out the terms that the partners have agreed, including if and when the partnership will be dissolved, and how any disputes that may arise will be resolved.

Limited Company

Over the last 10–12 years, many profitable farms have adopted the Limited Company structure. A key benefit of this structure is that profits retained in the company (i.e. profits that are surplus to what you need for your living expenses) are taxable at 12.5%. While forming a limited company introduces some complexity in terms of running the business, on very profitable farms the benefits usually outweigh the disadvantages.

When setting up a limited company it is worth considering involving the next generation. Introducing family members as small percentage shareholders can help to prepare a pathway for succession. A properly drawn up Shareholders' Agreement helps ensure everyone shares a common understanding of the business plan and their individual roles and responsibilities.

As well as fears about the perceived complexity of the limited company structure, another common misconception is that if you buy land through a company you have to extract the land when passing on the company. This is incorrect. The land can remain in the company and pass on with the company shares. Provided the land in question was farmed, it may qualify for Business Relief.

In the past, most farmers were sole traders or farmed in partnership with another business owner, however as incorporation becomes more popular, there are a significant number of farms where successors will inherit a limited company. From a succession planning perspective, this requires careful preparation, particularly if there are legacy issues such as debt or tax liabilities in the company. With proper advice and timely planning potential problems can be minimised and/or overcome.

Make a Will

Irrespective of your age—and the age or your family—drafting a valid Will is the first step on the path to succession planning. As your life stages change, and particularly when you move from being a single person to a married person, you will need to update your Will as marriage will invalidate an existing Will. If you do not have valid Will, succession is determined by the provisions of Succession Act of 1965.

When drafting your Will and Succession Plan, as well as ensuring that they reflect your wishes, it's important to make sure that your plans are tax efficient and make sense for you, your successors and your business. Remember that a plan in your head only becomes valid when it is properly documented.

Ifac has recently published two new guides designed to help farmers plan ahead — the Farm Structures Guide and Farm Succession Guide. Both documents provide practical advice, checklists and case studies. They are available for download on ifac.ie.

Key takeaways

- When reviewing your business structure, make sure that you do not disqualify yourself or the next generation from potential tax reliefs.
- It is never too early to write your Will and plan for succession.
- Get professional advice when writing your Will as drafting mistakes could mean that your Will might not be valid.
- Review your Will and Succession Plan at least once a year to ensure that they continue to reflect your wishes

Contact our experts today

Our teams across the country are on-hand to help you review your structure and find the best option for you and your business.

Contact us at **1800 334422** or email **info@ifac.ie**

Considerations for Switching Banks

Noreen Lacey
Head of Business Development

If you are considering switching banks, these tips could help you make the right move.

There can be various reasons to consider switching banks ranging from difficulty obtaining funding to generational transition in a farming business, staff changes that affect banking relationships or a bank exiting a particular market.

Margins

If you have a viable and profitable farm, refinancing may enable you to negotiate a reduction in fees and interest rates. However, it is essential to look at the overall cost and not just the headline lending rate as cheaper offers sometimes end up costing more when extras are included.

Current Accounts & Overdrafts

Switcher packs are available in banks and the transfer of direct debits and standing orders is part of the switching service. Care is needed, however, on issues such as tax, VAT and BPS payments. Information on switching can be found on the Citizens Information Website, https://www.citizensinformation.ie.

If you want to open a new current account with overdraft facilities, you will need to specify the facility required, duration and purpose. Applications should include a cash flow forecast and budget with a sensitivity analysis showing the impact of input/output price changes and yield/output variations.

Security

Where secured loan facilities are required, the relevant land folios and deeds need to be in order and, ideally, free of judgements or burdens. Some banks cover a fixed amount of the legal fees associated with the cost of switching.

Loan Repayments

While agriculture still tends to be favoured by lenders, the ability to service and repay loans is a deciding factor for most banks. Farm accounts need to be up to date, with good historical performance figures, a clear business plan and a documented path for succession.

The term and the structure of the proposed loan and the nature of the borrower (sole trader, limited company or partnership) are also important. The borrower type is especially relevant when loans originally borrowed as a sole trader are refinanced by a limited company.

Infrastructure and support

Online banking facilities, branch network and staff are other factors to consider. Who will you be dealing with? What is the experience of other farmers with the bank? Have you any feedback from your discussion group? If your business handles cash, how does the bank manage the associated practicalities/costs?

Decision Time

Once you have initial meetings or discussions with several banks, it is up to them to come back to you with a proposal—if they are keen to win your business, there will be some flexibility and elements of negotiation. Take your time and keep in mind “service and quality will be remembered long after price is forgotten!”

Forming a Registered Farm Partnership

Philip O'Connor
Head of Farm Support

Forming a Registered Farm Partnership (RFP) can be a great way to increase succession options, improve profitability, enhance work-life balance, reduce Income Tax, obtain 50% stock relief and avail of a potential double ceiling on investments that are eligible for the TAMS II Capital Grant.

However, changing your farm structure is a major decision which requires careful planning. When considering forming an RFP, *Ifac* recommends adopting a 3-step approach.

STEP 1 — Assessment

The first step is to assess the business case. Relevant tax, legal, succession and Department of Agriculture factors need to be examined and potential pitfalls identified and resolved. This is a key phase as it ensures that you are entering the partnership for the right reasons and at the right time. There is nothing wrong with postponing a business structure change if the business case does not make sense or the timing is wrong.

STEP 2 — Execution

If you decide to go ahead, the second step is getting the paperwork in order so that your partnership documentation can be submitted to the Department of Agriculture's RFP unit and your new partnership can go 'live'. Your herd number will need to be moved, a partnership agreement drafted, a tax number obtained and a partnership bank account opened. Herd registration forms must be sent to your local DVO for processing. (Seek advice on how best to operate multiply herd numbers within an RFP.)

STEP 3 — Implementation

Your accountant will tell you the date that your new structure is trading from. This is when you start using your new partnership bank account for all farm lodgements and purchases. You must inform your customers and suppliers and ensure that invoices are issued using the new partnership name.

To achieve a successful RFP, it is essential that the three steps outlined above are carried out correctly. Thereafter, the partnership should be reviewed every year and the capital account signed/agreed by all partners. For advice and assistance, contact your local *ifac* office where our team can provide more information and guide you through the process.

RFP CHECKLIST

Banking

- ✔ Are all my sales and purchases going through the partnership bank account?
- ✔ Have I moved all farming/business direct debts/standing orders to the RFP account?
- ✔ Have I moved my overdraft (if necessary) to new account?

Sales/Purchases

- ✔ Are all my sales and purchase invoices in the partnership name?
- ✔ Mart purchase/sales documents?
- ✔ Coop milk/trading statements?
- ✔ Factory documents?
- ✔ General invoices?

Grants/Schemes

- ✔ Has my agriculture advisor applied for BPS using my RFP number?
- ✔ Have they moved all other relevant schemes (eg GLAS, TAMS) to the new RFP?
- ✔ Are herd numbers being used correctly?

VAT Consequences of the UK Leaving the Single Market

The UK became a 'Third Country' upon the signing of the Trade and Cooperation Agreement on Christmas Eve 2020.

Bernadette Farrell
Senior Tax Consultant

Since 1 January 2021, supplies of goods from Ireland to GB are now regarded as exports, while goods purchased from GB and delivered into Ireland are treated as imports. Therefore, goods leaving Ireland are not liable to Irish VAT but may be liable to UK import VAT at the point of entry and goods coming into Ireland from GB will be liable to Irish VAT at the point of entry. Postponed accounting from VAT on imports can help mitigate the cash flow disadvantage.

> The terms of the Ireland/ Northern Ireland Protocol require that Northern Ireland maintains alignment with the EU VAT rules for goods (but not services).

Therefore, there is no change to the current VAT rules in respect of goods traded between Ireland and NI. However, NI businesses must use the 'XI' prefix in front of their VAT registration number rather than the 'GB' prefix when trading with EU suppliers and customers.

Sales to Unregistered UK Customers

Brexit has also impacted the rules appliable to B2C (Business to Consumers) sales of goods. Irish VAT registered business that did charge Irish VAT on B2C supplies of goods to GB unregistered consumers do not now charge Irish VAT. However, the Irish supplier will need to consider whether they arrange for payment of the UK VAT and customs duties at the point of import into the GB; or if their customers should be responsible for the payment of the VAT or customs duties arising in the UK.

Supply of services

GB and NI are considered as one country for the provision of services. The VAT treatment applicable to the supply of most B2B (business to business) services between Ireland and the UK will broadly remain the same; however, a couple of issues that may arise:

Irish VAT will not arise on the supply of certain services (e.g., consultancy, leg, accounting) to non-business customers in GB or NI from 1 January 2021.

Supplies of certain services to customers outside the EU but 'used and enjoyed' in Ireland can give rise to Irish VAT implications. For example, leasing an asset to a GB or NI entity that is used in Ireland. Irish VAT may arise.

The VAT treatment of B2C (business to consumer) supplies of electronically supplied services, telecommunications services and broadcasting services have also changed. The mini one-stop shop (MOSS) scheme will no longer apply in respect of UK VAT changed on B2C supplies to UK consumers, and Irish companies engaged in such supplies will need to VAT register in the UK to take account of the UK VAT due on such supplies.

Contact our experts today

For further information and/or advice, contact *ifac*'s tax team at **1800 334422** or email **info@ifac.ie**

Irish Farm Report 2021

The financial performance of Irish farms remained steady in 2020 with only one in five *ifac* survey respondents saying that Covid-19 negatively impacted their income.

Philip O'Connor

Head of Farm Support

#ifacreport
ifac.ie/irish-farm-report

Rising prices helped livestock farmers increase profits when compared to 2019, however most beef and sheep farms are still operating at a net loss before subsidies and grant payments. The problem is particularly acute in the beef sector where 9 out of 10 farmers say their business does not provide a sufficient income to support their family. When we asked farmers what the impact of Covid-19 was on their social life and community involvement; three out of four said it was negatively affected.

Technology

Our survey found 70% of farmers would like online buying and selling in the marts to continue post-Covid. Technology is increasingly important on all farms and farmers are embracing *ifac*'s new FarmPro and Cashminder services which enhance farm management. By combining great technology with *ifac*'s financial expertise, these services support sound on-farm decision making.

Financial planning

As in previous years, lack of financial planning continues to be a problem with farmers unsure how much to put aside to fund a modest pension. Worryingly, 40% have not made a Will and only one in four have identified a successor. While farm viability is an issue for succession it doesn't change the fact that farmland is a valuable asset that requires careful future planning.

Outlook

Across all sectors, the outlook for 2021 is relatively optimistic. Milk prices are currently strong, and profits are likely to increase this year. While Covid-19 impacted when the initial lockdown occurred in 2020, prices rallied throughout the latter part of the year and into spring 2021. However, any earnings increase is relative for the beef and sheep sectors as many farmers still operate at a net loss before EU supports. This reliance on supports and lack of trading profit is apparent in our survey findings. Rising feed and fertilizer costs will eat into any extra profits generated by increased commodity prices in 2021.

The other key profit variable for beef/sheep farmers is subsidy payments. A positive outcome to the current CAP negotiations will be vital if livestock farms across the country are to remain viable. Likewise, the new environmental scheme being finalised by the Department of Agriculture is welcome, but like any scheme, the devil may be in the detail.

Profits for tillage farmers depend on weather and price - both of which are outside farmers' control. While Winter and Spring crops look positive, it remains to be seen how weather will impact the growing/harvesting periods. The new straw incorporation scheme launched by the Department in March is a welcome development for the sector.

Beyond Covid lie many more challenges for the Irish farming community, including climate change and biodiversity. As always, *ifac* is here to help farmers make the right decisions at the right time, grow their businesses and ultimately sustain rural Ireland.

Key Takeaways

BROADBAND

86%

say broadband is essential and/ or critical for the running of their farm business

TECHNOLOGY

70%

want online mart selling to continue after Covid-19 restrictions are eased

FARM TECH

1 in 2

farmers use herd & breeding software making it the most used farm tech

FUTURE PLANNING

40%

don't have a Will in place

COVID-19

3 in 4

will take the Covid-19 vaccine with 19% unsure and 6% not planning to be vaccinated

SUCCESSION

71%

have not identified a successor with 1 in 3 citing farm not viable enough

FINANCIAL PLANNING

3 in 5

do not complete any budgets or cashflows

STOCK LEVELS

84%

of farmers plan to maintain or increase stock levels over the next 3 years

BREXIT

Only 5%

of farmers feel that Brexit will have no impact on the farming sector

Download the full report or find out more at
www.ifac.ie/irish-farm-report

Contact your local *ifac* office to find out how our teams can help you plan for your farm's future

What have we learned from Covid-19?

When asked to write an article about the lessons for food and agribusinesses from the past year of the pandemic, lessons around digital transformation top the agenda.

David Leydon
Head of Food & AgriBusiness

davidleydon@ifac.ie

In the immediate aftermath of the arrival of the pandemic, protecting the people in the business and managing cash were critical. Some of the companies who showed the most resilience were focussed on regular granular cashflow management, kept a keen focus on debtors, maximised the use of Government supports and looked for opportunities to diversify revenue streams where possible.

However, the longer-term impact of the pandemic will be the focus it has placed on the strategic importance of technology for both food businesses and agribusinesses to stay competitive.

Here are the top five digital impacts we see emerging from Covid-19:

1. Consumer expectations

Consumers of all ages and in all parts of the country have changed their digital behaviour. A year into this pandemic and there is now an expectation that most businesses will be able to handle a certain level of transaction digitally.

For a vet it might mean being able to book an appointment using social media, for a food company it is the ability to execute home delivery or for a merchant it is enabling farmers to order online and collect at the yard. For a mart, not having online trading capacity, it simply means closure during periods of level 5 lockdowns.

These are significant shifts and consumer expectations will not suddenly revert to pre-pandemic norms. Your customer has moved online so your business must be there to meet them.

2. Communication

"You're on mute!". A year into our pandemic there is still no Zoom or Teams meeting that goes by without, "you're on mute", getting repeated. It is a phrase that is now part of everyday life. While video call technology is far from new, it took a pandemic to bring it into food and agribusiness workplaces in a significant way.

In our sector getting in the car or on the plane was the way to do business. We have now seen a new way of doing business. While a hybrid model of meeting occasionally while doing a lot of business both internally and externally on video will be the likely new norm. For a business this means:

- Making sure your technology is suitable
- Using this technology to collaborate effectively internally and externally
- Using webinars for sales and customer engagement
- Helping your team with the skills needed to build credible online relationships to help drive on the business.
- Re-engineering your processes so you can handle comms from multiple platforms – phone, email and also a range of social media platforms.

3. Food sales – Diversification of channels

Online grocery sales have grown significantly during the pandemic. For some food businesses this has meant building their direct-to-consumer (D2C) model. A more important change though is how online shopping with the major supermarkets has developed.

The impact on Irish food producers from increased online grocery shopping will be significant. Further investment in their brands is critical if they are to successfully shape consumer behaviour in this growing e-commerce environment. Irish food producers need to understand how to package their product so it looks attractive on the digital shelf, how to maximise online promotions with the retailer and analyse how they rank on each e-commerce platform when, for example, a user searches for a generic term like yogurt or bread. This requires both a sophisticated digital skillset and the financial power to invest in their business.

Read more here: https://www.ifac.ie/news/brand-investment-is-key-to-online-grocery-success-for-irish-food-producers/

4. Digital infrastructure

Making solid decisions now in terms of your digital infrastructure will pay dividends. Making best use of cloud technology is more important than ever giving users in the business remote access and comfort on business continuity. What security steps must the business take in a more digitally enabled world? What payment software is most suitable? What automation is available for the business from the factory floor to the office?

Our recent automation publication can we viewed here: https://www.ifac.ie/news/irish-food-and-agribusinesses-turn-to-automation-to-help-solve-manufacturing-challenges-mitigate-the-impact-of-covid-19-and-get-ready-for-brexit/

5. Workplace culture

Finally, workplace culture and expectations have also changed. There is a divide especially in our food and agribusiness sector between those who can Work from Home (WFH), the minority, and those who have to show up on the frontline of the business, the majority. Managing hybrid teams is a new skillset for management and building in fairness and flexibility is important. Ignoring WFH expectations from some groups of staff will disadvantage the sector in the medium term as talent will move to businesses who do offer this opportunity.

The consultancy team in *ifac* are working with clients who have had a range of experiences during this pandemic. Digital transformation is a unifying theme across all of the businesses. Staying competitive means embracing digital change.

Contact our experts today

From maximising your engagement with LEO and Enterprise Ireland to strategic reviews and growth plans, our Food & AgriBusiness team are here to help your business reach its full potential.

Contact us at **1800 334422** or email davidleydon@ifac.ie

Deposit Holders - The squeeze is on

Martin Glennon

Head of Financial Planning

Household deposits surged by €14bn in 2020. The Central Bank reports that they are now at record highs of €125bn as Covid restrictions significantly dampened spending habits.

But the recent news for deposit holders has not been good.

- State savings products have seen significant reductions in interest rates
- Prize Bonds receive no interest, but instead are involved in a draw with the prize pool reduced
- Ulster Bank plans to exit Ireland, leaving customers wondering what to do in an ever-decreasing market
- Bank of Ireland has announced the closure of branches and has widened the range of customer deposits where negative interest rates apply
- Credit Unions being charged negative interest rates by banks resulted in savings caps on deposit accounts being imposed
- Interest rates between 0.0% to 0.05% are common on many accounts

So what should deposit holders do?

Step 1 - Rainy Day Fund

Deposit accounts provide an ability to access funds quickly. Holding money for the 'rainy day' or emergency makes sense. How much you hold depends on your personal preference. As a guideline, we recommend at least 3 months' income.

Step 2 - Planned Spending

You need access to funds for planned expenditure such as changing your car, a wedding or college fees - expenditure likely needed over the next 2-4 years.

These two steps ensure that you have the right money set aside for the expected and unexpected. The priority is access, not growth, so do not fret too much about the interest rates.

Now, what to do with the balance.

Repay debt

Start with the Credit Cards. With interest rates ranging from 17% - 23%, it makes sense to clear these. It is like your deposit money has earned the level of interest rate applying to your card.

Personal loans incur interest rates of 6.5% to 8.5%, so they are worth a look also.

The same applies with the Mortgage. What interest rate are you being charged? Does it make sense to clear down all or a portion of this loan?

A key note when repaying debt is that the money you repay is gone. You no longer have access to it. If you need to apply for a loan or mortgage in the future, how confident are you that you will receive the funds?

Investing

Explore growth opportunities for the deposit money that you do not plan, or want, to spend in the short/medium term.

When assessing your investment options, it is important to get the correct balance between the growth you want and the level of risk you are comfortable taking. Beating inflation and maintaining the real value of your funds is one of the main goals here.

If you are considering investing, I would strongly recommend that you talk to a Financial Advisor. A good adviser will assess your risk appetite by looking at your ability, need and tolerance for risk. This will help find the best investment option suited to your circumstances.

Make your savings work for you

Life is unpredictable so it's important to keep your personal finances under review. Making your savings work for you can make a big difference to your financial security. Regardless of your circumstances, it makes sense to shop around for the best deals. For more information and/or advice, contact your local *ifac* office.

Getting Strategic About Structure - Advice for New Entrants

Dermot Skehill
Tax Consultant

Most new entrants to dairy farming don't show a profit until year three. However, with careful planning and the right business structure, there are potential savings to be made.

New entrants usually follow the same path when starting a dairy enterprise. The process begins with research, followed by a series of steps leading up to commencing milking.

Typically, these steps include:

- Preliminary dairy research
- Preparing building plans
- Finalising costings
- Approaching bank for funding
- Applying for planning
- Purchasing stock
- Commencing operations

Business structure

New entrants often don't spend enough (or any!) time considering if their business is correctly structured. Most farmers automatically operate as sole traders or partners, although the number of limited companies in the dairy sector has increased in recent years.

Look at the projections and examine the following

- Effect of Stock Relief
- Is 100% Stock Relief available
- Remember the tax saving limit on young farmers of a tax saving of €70k
- Have you been farming before and can you use Income Averaging
- How long will the benefit of averaging be worthwhile
- What are the capital allowances and what are they each year for first 5 years

Armed with this information you can then implement a tax projection for the years and more importantly examine are you in the best structure.

If tax is becoming an issue from year 3 onwards have you considered the option of a company from day 1.

!

If you move into a company

- Borrowings are in the company
- Buildings are in the company
- No Stamp Duty on transfer of buildings in as they are in as they are being built

So who should consider the company?

If the following indicators apply please consider it carefully:

- Profit per cow will be above €750
- No off-farm income and milking at least 70/80 cows
- Capital spend of less than €3k per cow
- Likely to expand
- Willing to look at minimising tax
- Your own or spouses off-farm income

Take time and examine the options early in the day to ensure you are in the right structure.

Contact our experts today

We have both the Tax and Agri Supports available to enable your farm to move forward by having the best structure.

Contact us at **1800 334422** or email **info@ifac.ie**

Looking after your employees

Una Burgess
Head of HR

Our Irish Farm Report found that 22% of farmers employ people on their farm. A key issue, however, is that 20% say that the right people are hard to find.

In short, good people are hard to find and even harder to keep! So when you do find the right help for your farm it is important to keep them. Here are my top 15 tips for looking after your team:

1. Treat your employees as you would like to be treated. Lead by example but remember your employees will rarely work as hard or as long as you; they don't own your farm, you do.
2. Make sure your employees receive a contract of employment when you hire them.
3. Don't use net pay agreements. Agree a gross (before tax) rate of pay per hour.
4. Remember to make sure you are compliant with applicable pay rates. Irelands National Minimum Wage is now €9.80 (before tax) per hour.
5. Be aware of benefit in kind. If you are giving your employee the use of a vehicle or other non- cash incentive, it may be subject to benefit in kind (a tax charge on the deemed value of the benefit).
6. Make sure you pay fairly and on time, every time.
7. Give your employees a payslip each time they are paid.
8. Keep a record of hours worked and give your employees the appropriate rest breaks.
9. Honour all agreements on overtime, profit share or bonuses etc.
10. Reward extra effort. You can give your employees a tax free voucher of up to €500 once per year.
11. Give clear direction on what tasks you require your employees to complete and provide appropriate training.
12. Give clear, straight forward and honest feedback.
13. Be flexible, we all need to go to a doctor/ dentist/parent teacher meeting etc. sometimes at short notice.
14. Always be mindful of your employees' health and safety and promote the importance of safety in your workplace.
15. Think win-win, if you look after your employees, they will look after your business.

Managing people can be challenging. Having a clear consistent approach to people management is vital. Be a good manager and you will retain your best people.

ifac

Sound advice, independent solutions

We understand that every business has its individual needs and opportunities. Our team of experts can offer you the most comprehensive independent advice and specialist solutions tailored to fit your needs. Our key solutions are:

Taxation
Ensure that your taxes are structured as efficiently as possible by planning your affairs with one of our specialist tax advisors.

Audit and Assurance
Focus on ensuring compliance during your companies next statutory audit and add value specific to your business.

Specialist Advisory
Increase profits and drive growth with advice and consulting from our committed teams of highly experienced professionals.

Accounts
Keep track of your financial transactions and gather vital information for planning your financial future.

Financial Planning
Choose from the best investment solutions available with independent advice from our financial specialists, supported by our accounting and tax teams.

Payroll
Make sure that payments are made accurately, on time, and in compliance with legislation in this critical part of your enterprise.

Finance
Access the right finance opportunities to start, develop or expand your enterprise.

Capital Planning
Optimise your asset ownership, succession, acquisition or divestment strategy.

Food and AgriBusiness
Whether you're looking to access funding, export to new markets or seize on a new opportunity, our Food & AgriBusiness team can help you maximise your potential for growth.

Speak with one of our experts and see how we can help your business grow on **1800 33 44 22** or visit **www.ifac.ie**

A national team of dedicated experts.

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

Speak with one of our experts and see how we can help your business grow on **1800 33 44 22** or visit **www.ifac.ie**

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- Portlaoise, Co. Laois
- Trim, Co. Meath
- Tullamore, Co. Offaly
- Wicklow, Co. Wicklow

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

Connaught

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

Ulster

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

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