



# THE GENFITT KNOWLEDGE 2023



**PERFORMANCE TRENDS  
IN THE IRISH AGRICULTURAL SECTOR**



FOREWORD



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Managing Director, Genfitt



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Kramp group CEO

Welcome to the 8th edition of Genfitt’s Knowledge Report.

2023 was a momentous year for Genfitt celebrating our 50th birthday. As well as this, the ownership changed. Genfitt is now part of the largest wholesale distributor of agricultural hardware and spare parts in Europe: Kramp. Kramp has the resources, knowledge, and expertise to ensure Genfitt will celebrate its centenary.

This year, we developed the methodology for this 8th edition of the Knowledge Report. Working with Agriland, we conducted what we believe to be the largest independent survey of farmers’ perspectives on the state of the Irish Agricultural sector in 2023 – 3,700 farmers participated. Combining this with the usual desk research, surveying of resellers and manufacturers, in-person interviews and the Expert Group Roundtable, we believe the conclusions and outlook assessment in the report are even more grounded.

In summary, we have concluded that, after an exceptional couple of years, 2023 has been a return to something approaching normal. Despite the challenges, short and medium-term, we continue to be optimistic for the long-term future of farming in Ireland. Our industry has shown an incredible capacity to adapt, something which does not get the credit it deserves.

Earlier this year, Kramp re-entered the Irish market after an absence of 15 years through the acquisition of Genfitt. We are excited by the opportunity that the Irish Agricultural market – an industry that has always punched above its weight – presents to Kramp. In other European markets, we have invested to become the essential partner in parts and service to their Agricultural industries, and, in the coming years, we look forward to bringing the same value to the industry in Ireland, earning the right to be an essential partner.

We see the Genfitt Knowledge Report as a service to the Irish Agricultural industry, published annually at a time when our customers and their customers are planning for the coming year. I am therefore proud for Kramp to be associated with this valuable piece of research.

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INTRODUCTION

# Welcome to the annual Genfitt Knowledge Report

Welcome to the eighth edition of the Genfitt Knowledge Report. This independently commissioned research project has sought to understand the key factors and trends of Ireland’s Agricultural sector year on year.

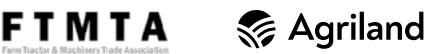
2023 has been a difficult year on the whole for both farmers and resellers. The overall rating of the sector is down from the last two: 2021 was rated 8/10, and 2022 was placed at 7/10. With difficult weather conditions, the increased cost of fertiliser, and the rising cost of living being cited as the main concerns for farmers, it’s been harder to keep profit margins healthy or, indeed, visible in some cases. However, as the vast majority of our farmer respondents intend to maintain their output, stocking rate and acres farmed in 2024, we can see that this year has not affected resilience.

Research was done, for the most part, remotely, via online questionnaires with customers, resellers, and OEMs, delivered with Agriland (to gain insight directly from farmers), although expert and customer focus groups were held in a face-to-face setting.

Genfitt is a well-established supplier to the Agricultural sector, continuing to invest in research and insight to support their customers, to ensure they outperform the markets. This report is essential reading for anyone who wants to stay ahead, and is integral to Genfitt’s customer commitment of *‘Generations of knowledge at your service.’*

The Genfitt team in County Mayo would like to say a special thank you to all participants. Without their time and commitment it would not have been possible. Special thanks also to Agriland for their much appreciated support on the farmers’ survey – it was very useful to have a fresh perspective this year.

We hope you find the insights of value, and please do not hesitate to contact us directly with any feedback or suggestions for 2024. We hope the remainder of 2023 will be positive for you all.



METHODOLOGY

This report was conducted by an independent researcher from June to October 2023. There were three distinct phases of the research:

1. DESK RESEARCH

Identifying the macro issues in the industry in H1 2023.

2. ONLINE SURVEYS

For the first time, our desk research was informed by an online farmers’ survey run in partnership with Agriland. We also surveyed resellers and OEM. Respondents were as follows:

- 3,648 respondents to the farmers’ survey; 177 respondents to the resellers’ and OEM surveys
- Spread across three data sets: farmer, reseller and OEM
- Covering all 32 counties of Ireland

3. FACE-TO-FACE CUSTOMER AND EXPERT GROUPS

Outcomes of the first two phases were discussed in face-to-face groups to draw conclusions concerning the key trends of 2023, as well as predictions for 2024 and beyond.

The resulting report provides a review of 2023 as an assessment and the outlook for 2024. It is split into two main sections:

- Macro trends, as identified through the survey.
- Further examination of these trends through detailed interviews and expert group feedback.



## 50 Years of Excellence

We recently celebrated our 50th anniversary in business, a milestone we’re extremely proud of.

Serving the Irish Agricultural industry since 1973, Genfitt has become a market leader, established across the country because of our generations of knowledge, excellent service, and wide product range.

We’d like to take this opportunity to thank you, our customers and stakeholders, for all your support over the past five decades; we’re looking forward to continuing to serve you well into the future.





# THE MACRO TRENDS AFFECTING THE IRISH AGRICULTURAL SECTOR IN 2023

**In order to identify macro trends affecting the Agricultural industry, the online surveys asked participants for comments on the following topics:**

- The state of the market in 2023
- Factors affecting the Agricultural sector
- Other factors: environmental, political, and technical influences

As we had a bigger data set than ever before, we split our findings into three separate sections: the farmers' perspective, the resellers' perspective, and the OEM perspective.

*Let's see in detail what they said...*



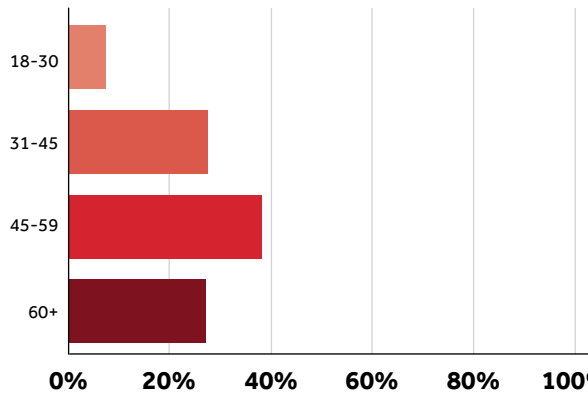
THE FARMERS' PERSPECTIVE

THE FARMERS' PERSPECTIVE: BACKGROUND OF RESPONDENTS

Q. How old are you?

The average age was between 45 and 59, with 38% responding in this bracket.

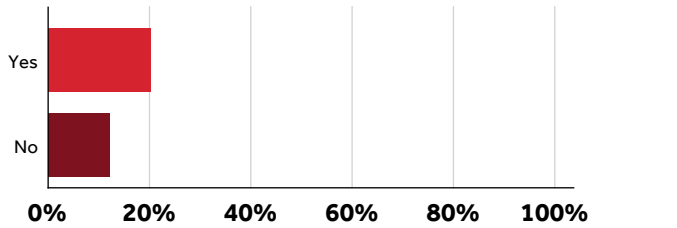
Almost all remaining respondents fell equally into 31-45 and over 60, with 27% each. Only 7% were aged between 18-30.



Q. If you are over 60, do you have a successor in place?

68% answered that this was not applicable to them.

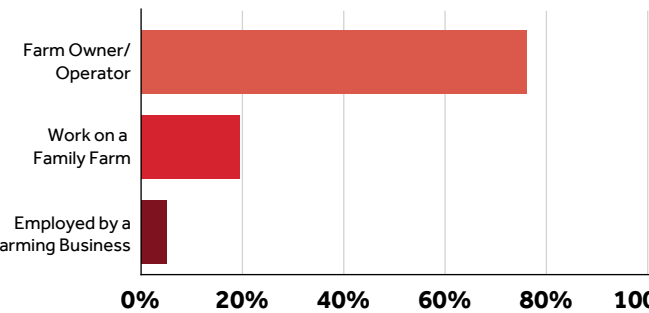
Of the remainder, 20% have successors in place; 12% do not.



Q. Which of the following best describes you?

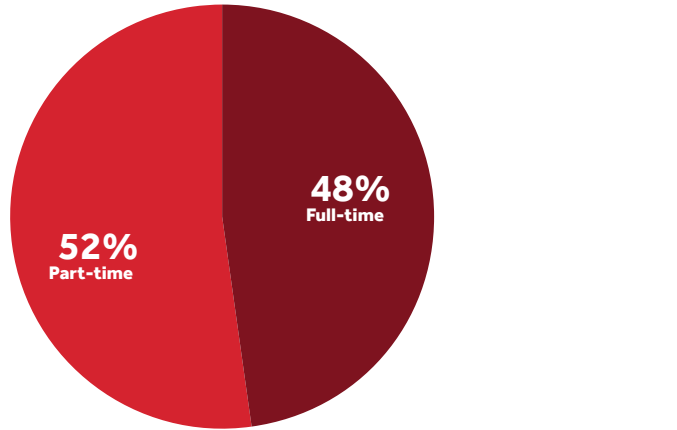
The vast majority, 76% of respondents, are farm owners or operators.

19% work on a family farm. Only 5% were employed by a farming business. We could draw from this, then, that respondents will have a strong knowledge of the market, with the majority either owning/operating their farm or it being a family business.



Q. Do you farm on a full or part-time basis?

This was a fairly even split, with 48% farming full-time and 52% farming part-time.



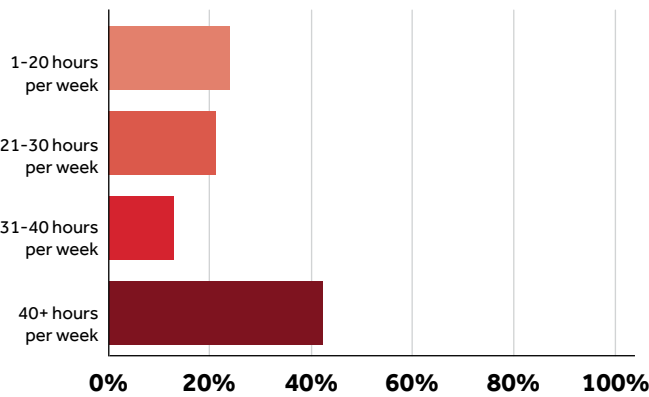


THE FARMERS' PERSPECTIVE: BACKGROUND OF RESPONDENTS

Q. How many hours a week do you spend farming?

42% of our respondents worked over 40 hours a week.

Just over half that number, 24%, farmed between 1-20 hours.



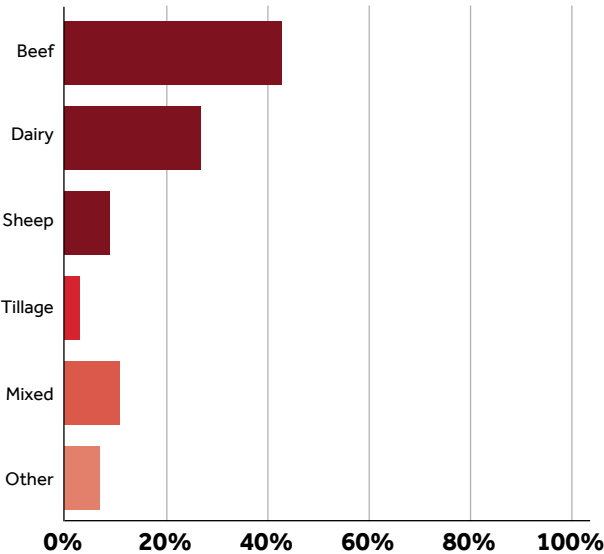
Q. What is your primary farm enterprise?

Beef farming was the main enterprise for our farmer respondents at 43%.

Dairy farmers accounted for the next highest group with 27% of the total.

11% of the respondents practised Mixed Farming while sheep farmers made up 9%.

Only 3% of respondents were primarily Tillage Farmers. 7% of respondents replied, 'Other'.



THE FARMERS' PERSPECTIVE: THE STATE OF THE MARKET IN 2023

Q. Overall, how would you rate the state of the *Irish Agricultural Marketplace* out of 10?

(0 being terrible, 10 being excellent)

45% of respondents rated the market 5 or 6, which is similar to last year (44%).

The average score however was 5, as opposed to 7 in 2022.

The number of respondents rating the market at 4 or below has risen from 15% last year to 29% this year.



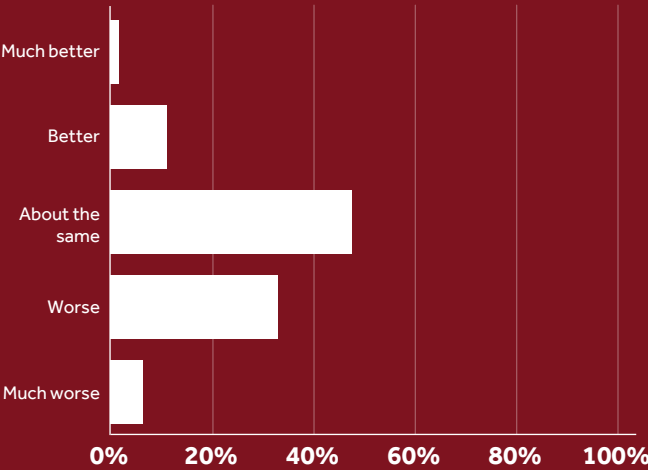
Q. How has *your business* performed so far this year compared to 2022?

11% of respondents reported business performance above last year, compared to 17% in 2022.

48% reported their business experiencing the same performance compared to last year, as opposed to 40% in 2022.

33% stated that business performance was down overall compared to 39% last year.

6% say that business performance has come significantly down versus last year.





THE FARMERS' PERSPECTIVE: THE STATE OF THE MARKET IN 2023

Q. In terms of spend/investment in machinery, what have you spent or are you planning to spend?

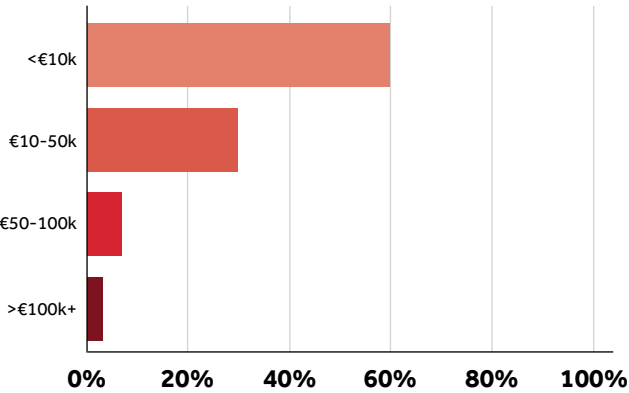
The vast majority, 60% of respondents, have spent or plan to spend under €10k.

30% responded in the €10-€50k range.

7% fell into the €50-€100k bracket.

3% have spent or will spend over €100k.

The above suggests farmers are cautious about committing to purchasing machinery in the current market conditions.



THE FARMERS' PERSPECTIVE: FACTORS AFFECTING THE AGRI SECTOR

With the cost of living crisis impacting the market, the Agricultural industry has had to be even more resilient, adapting to the challenges of 2023.

*Let's take a closer look at what's been significant to farmers this year...*

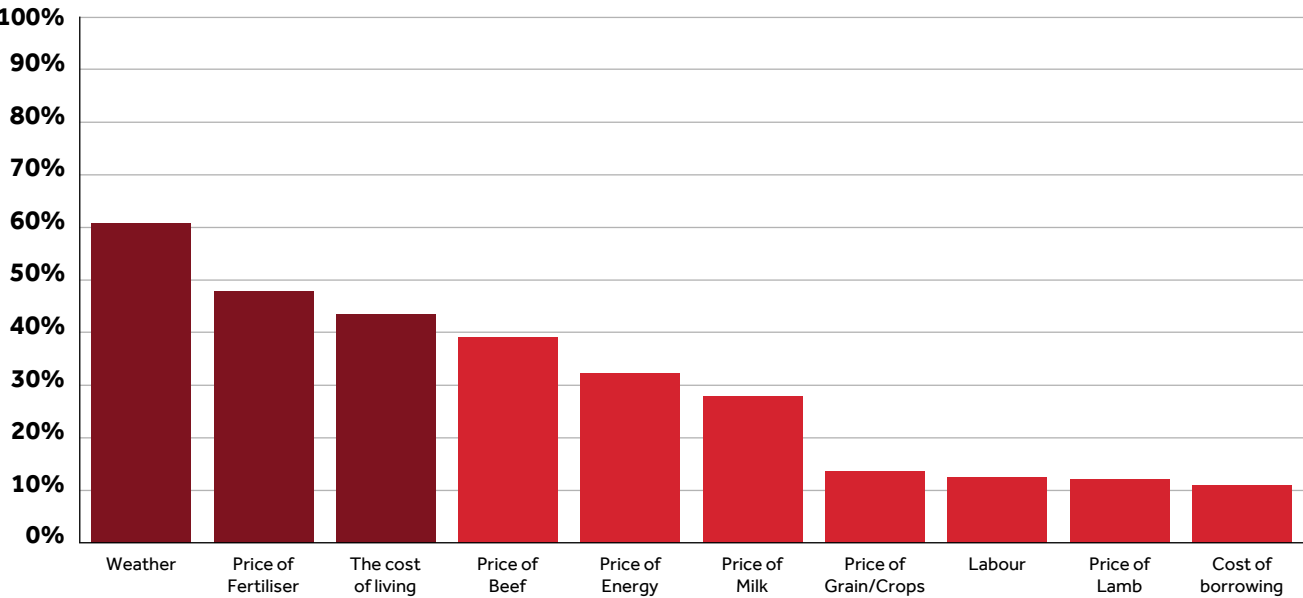
Q. Out of the list below, what are the three most negative concerns to farming in 2023?

Overall, the three biggest factors affecting farmers this year were:

- the weather (61%)
- the cost of fertiliser (48%)
- the cost of living (44%)

Other concerns such as the price of beef, energy, and milk fell around a similar level, with 39%, 32% and 28% respectively.

Coming in towards the bottom of the chart the price of grain/crops (14%), labour (13%), the price of lamb (12%), and the cost of borrowing (11%), again, were fairly close together; however these concerns are in line with the number of tillage and sheep farmers who made up a lower % of the overall respondents.



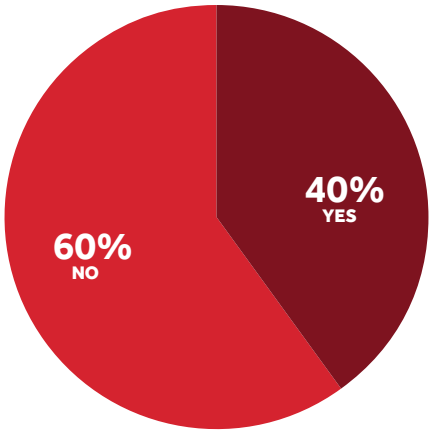
THE FARMERS' PERSPECTIVE: ENVIRONMENTAL, POLITICAL, AND TECHNICAL INFLUENCES

Throughout 2023, the changing climate and a number of other factors have affected the sector.

Here, we look at how impactful they have been...

Q. In 2023, has your farm been impacted by any legislation changes?

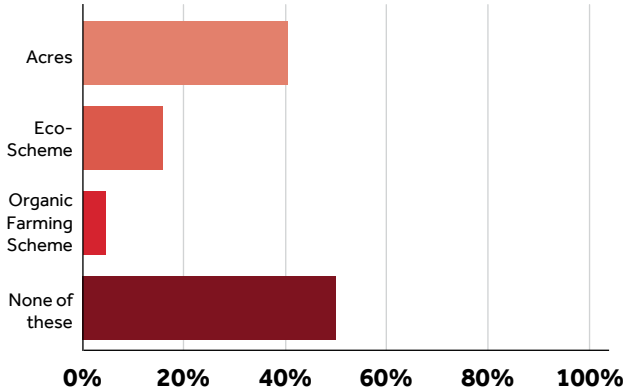
The majority (60%) replied that they had not been affected, but there was still a large proportion of farmers (40%) who had seen legislation changes impact them.



Q. Have you joined any of the following environmentally-focused schemes?

The majority of respondents (50%) had not joined any of these particular schemes, but 40% had joined ACRES.

16% had joined an eco-scheme, and 5% had joined the freshly funded Organic Farming Scheme.



THE FARMERS' PERSPECTIVE: ENVIRONMENTAL, POLITICAL, AND TECHNICAL INFLUENCES

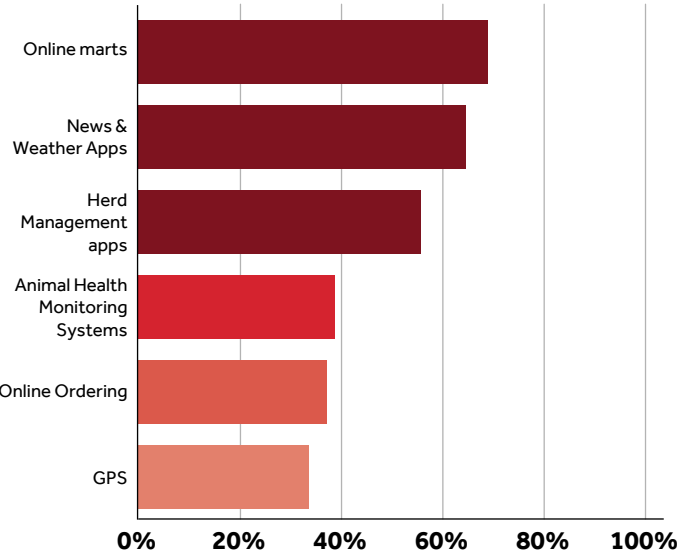
Q. What would you consider to be the top three technologies farmers are using?

We can see here a relatively high ranking across the board for all these technologies offered, indicative of the way modern farming is adapting to the needs and trends of the sector from both a time management and labour efficiency perspective.

69% of respondents cited online marts as the most popular technology they use, closely followed by news and weather apps at 65%.

Ranking third, 56% stated herd management apps were a staple resource.

Animal health monitoring systems, online ordering, and GPS all came in at a similar level of 39%, 37% and 34% respectively.



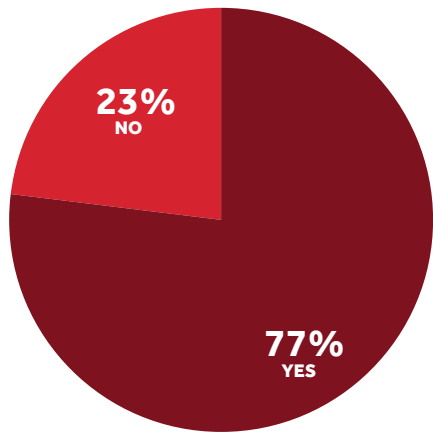


THE FARMERS' PERSPECTIVE: ENVIRONMENTAL, POLITICAL, AND TECHNICAL INFLUENCES

Q. Have you made a farm purchase online?

The vast majority of 77% responded that they had made a purchase online for their farms, and only 23% had not.

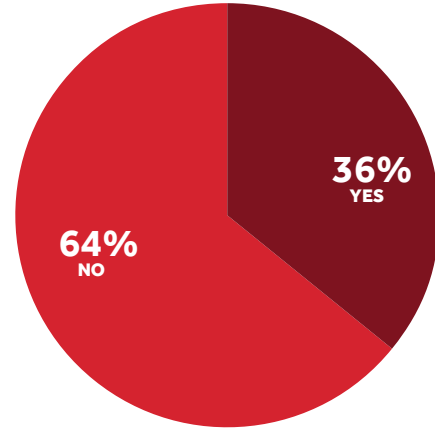
This is a significant answer which shows how farmers' purchasing behaviour has advanced over the last number of years. It can be assumed that the Covid lockdown contributed to this large cohort of respondents buying online.



Q. Have you made a mart (animal) purchase online?

The feedback to this question was interesting as only over a third (36%) of responses stated they had made a purchase through an online Mart App.

Again, this is an advance that would have been unheard of 5 years ago. 64% stated they had not purchased animals online, however, as seen in the question on p.15, 69% of farmers were using online marts to sell stock or check out the trade.



Feedback from our respondents

“The younger generation is less inclined to take up farming due to regulations and challenges.”

“Small family farms are being affected by new regulations.”

“There's a sentiment that farming is becoming more difficult with increasing rules and regulations.”

“Why is Agriculture being used as scapegoats for climate change? We are the most sustainable producers in the world yet we are being targeted as the worst in terms of the environment.”

“As a young trained farmer who fell into the old 'young farmer' category, I've invested a lot of money in the farm over the last 10 years. Now, being told to cut back, it's hard both financially and mentally.”

THE FARMERS' PERSPECTIVE: COMMUNICATIONS

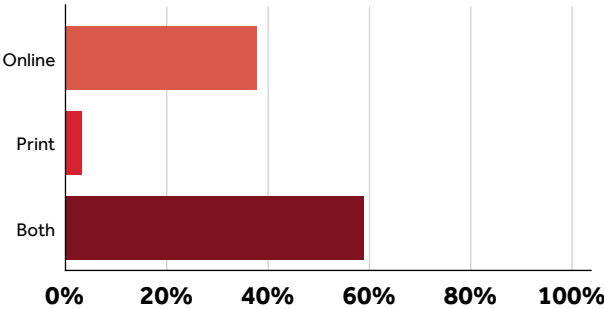
This year, for the first time, we asked about how farmers received their news and their methods of communication, to get a better understanding of the needs of the market.

*Read up on our findings...*

Q. Where do you get your farming news?

It was interesting to see the split between those getting their news and information exclusively online or in print so starkly pictured.

A large number of respondents (38%) prefer solely online news, potentially due to accessibility and real-time information being updated at a much faster pace. In contrast, a tiny (3%) like to get their news in print alone. However, the vast majority choose to get their news from a combination of both print and online sources, 59% responding this way.





THE FARMERS’ PERSPECTIVE: LOOKING AHEAD

Q. How do you rate the future for the *Irish farming sector* in 2024?

(0 being terrible, 10 being excellent)

45% of respondents rated the marketplace 5 and 6, with the average being 5 out of 10.

This is the same as the response to the state of the market for 2023, suggesting that although those surveyed don’t see the industry getting any easier, they also don’t see it getting a great deal worse in the coming year.



Q. Looking ahead, are you planning on increasing, decreasing, or maintaining the following?

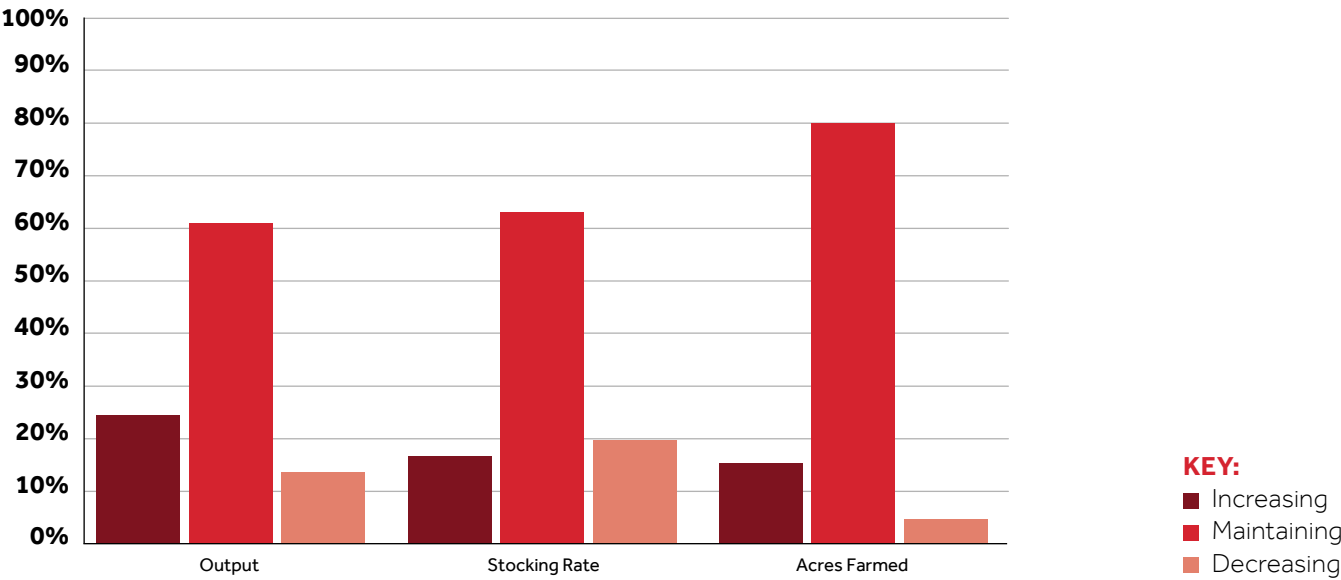
For all of the below, the majority intended to maintain the same level as that of 2023.

For output, 61% intended to maintain, 25% were going to increase, and 14% were going to decrease.

For stocking rate, 63% intended to maintain, 17% were going to increase, and 20% were going to decrease.

For acres farmed, 80% intended to maintain, 15% were going to increase, and only 5% were going to decrease.

These numbers suggest that those surveyed were in the main sticking to their systems and levels of production for 2024.



FARMERS’ SUMMARY

Overall, the farmers we surveyed felt that 2023 had been a difficult year – faced with challenges, as with every year, but there were areas of success and measures being put in place to withstand what 2024 had to bring.

**Concerns about the Environment and Climate Change:**  
Many respondents expressed concerns about Agriculture being targeted as a major contributor to climate change. Instead, there’s a need for more realistic debates about its impact on the environment and the carbon capture that takes place on farms every day of the year. Some also expressed worries about environmental legislation affecting their farming practices.

**Economic and Financial Concerns:**  
A significant number of comments revolved around the economic challenges faced by farmers. This includes the high cost of farming inputs, the control of beef prices by factories and supermarkets, and the struggle farmers face with the prices they receive for their produce.

**Challenges in Farming:**  
Respondents highlighted the challenges faced by the younger generation in taking up farming due to land cost and availability, as well as the increasing complexity of farming in general, due to more stringent rules and regulations. The unpredictability of the international political environment was also mentioned as a concern.

**General Comments:**  
There were comments expressing the need for more support for small tillage farmers, as well as concerns about the future of the sector in Ireland. Some respondents believed farming is a tough industry to work in, emphasising the need for better representation in decision-making processes.

Overall, with the majority of farmers feeling their business performed around the same level in 2023 as it did in 2022, their almost midline prediction of 5 out of 10 for 2024, and the fact that most of the farmers surveyed intend to maintain their levels of output, stocking rates, and acres farmed, we can see they are being cautious for the year ahead.





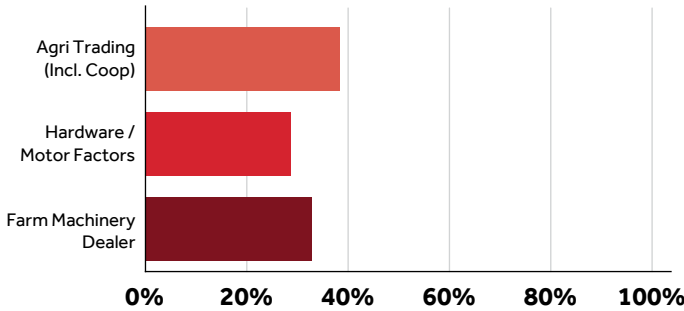
THE RESELLERS' PERSPECTIVE

THE RESELLERS' PERSPECTIVE: BACKGROUND OF RESPONDENTS

Q. How would you describe your business?

The majority of respondents, 38%, described themselves as Agri Trading businesses, closely followed by farm machinery dealers at 33%.

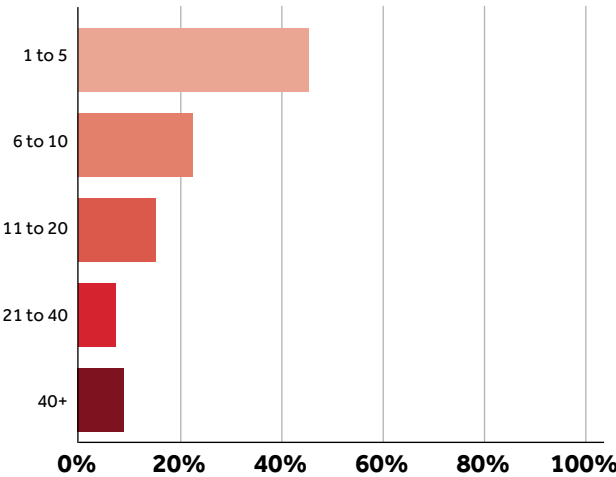
29% of respondents were in hardware stores or motor factors.



Q. How many people are employed by your business?

Most businesses (46%) had between 1 and 5 members of staff on their team, with about half of that (23%) having 6 to 10 employees.

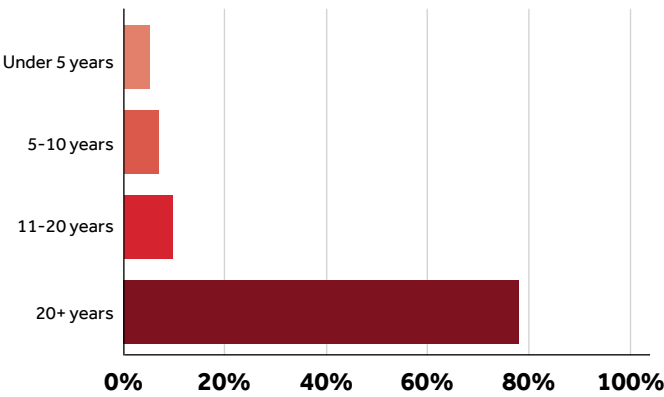
15% of our reseller respondents had between 11 and 20 employees, while 9% had over 40, and only 7% had 21 to 40 people employed.



Q. How long has your business been trading for?

A huge proportion of those surveyed, 78%, stated they'd been in business for over 20 years.

10% had been going between 11 and 20 years, 7% between 5 and 10 years, and only 5% had under 5 years of trading.





THE RESELLERS’ PERSPECTIVE: BACKGROUND OF RESPONDENTS

Q. What number would you use to rate the *Irish Agricultural Marketplace* out of 10?

(0 being terrible, 10 being excellent)

Out of the resellers surveyed, 50% cited the marketplace as being between 6 and 7.

This gave an average score of 7 out of 10, two points higher than the farmers’ perspective.

This higher score can be seen in the response to the next question regarding business performance in 2023.



Q. How has *your business* performed in 2023 compared to 2022?

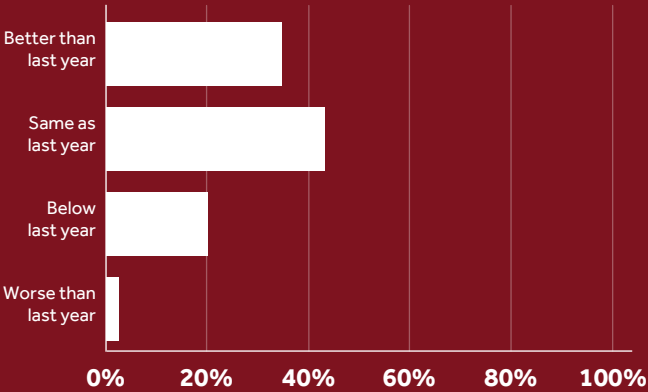
43% stated that they’d seen the same performance this year as that of last year.

However, an encouraging 35% of resellers said they’d had a better year in 2023 than 2022.

20% of resellers responded that this year’s performance was below that of last year.

Only 2% felt that this year was worse than 2022.

These findings perhaps correlate to why resellers rated the year a little higher than farmers did.



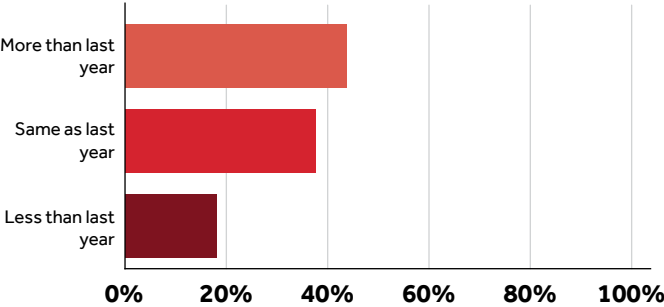
THE RESELLERS’ PERSPECTIVE: THE STATE OF THE MARKET IN 2023

Q. In terms of spend on goods and components this year, how much are you spending?

44% said that they were spending more than last year, while 38% said they were spending the same as 2022.

Only 18% of resellers surveyed spent less than last year on goods and components.

This shows the vast majority of our resellers (82%) spent the same as, or more than, 2022, reflecting the positive score on the business performance they experienced.





THE RESELLERS’ PERSPECTIVE: FACTORS AFFECTING THE AGRI SECTOR

Rising costs – especially in transport, energy, and input costs – are a significant concern this year, as are the challenges of the weather and labour shortages.

Let’s take a closer look at what’s been impacting resellers in 2023...

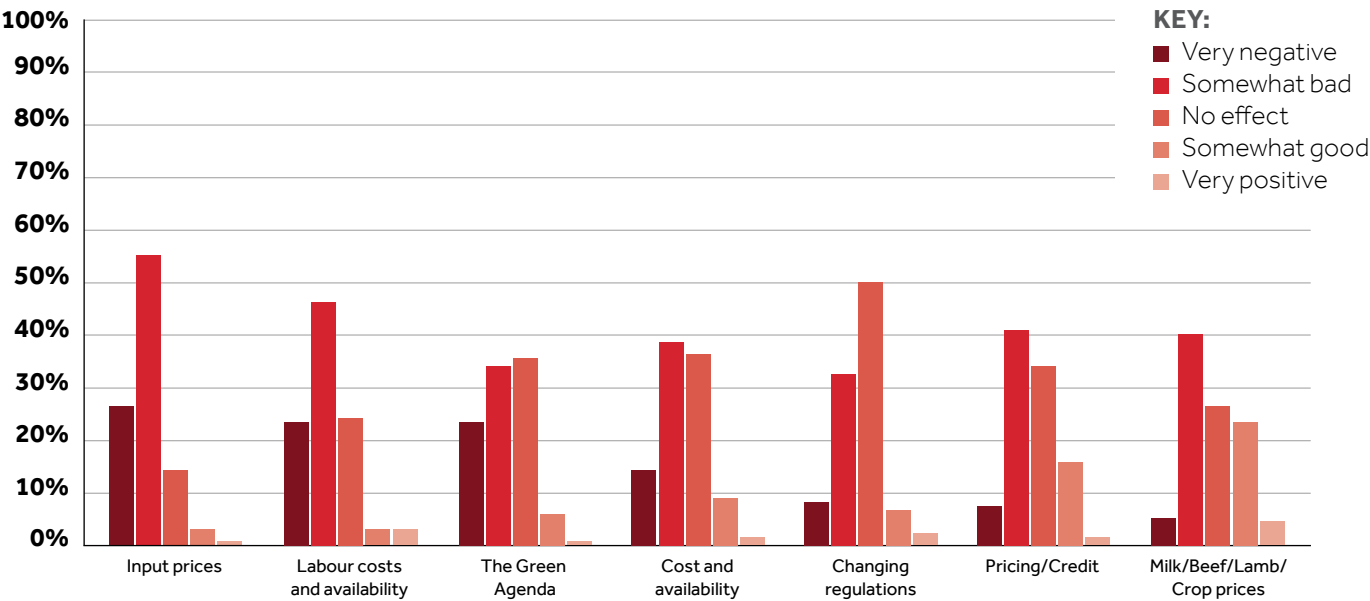
Q. How have the following factors affected your business:

Input prices were the leading negative factor in resellers’ businesses, with 27% stating they were very negative and 55% saying they were somewhat bad.

Labour costs and availability closely followed as a concerning topic: 24% of respondents described them as very negative, whilst 46% said they were somewhat bad. 24% said they’d had no effect.

25% of respondents also placed the Green Agenda as very negative; 34% said it was somewhat bad. However, 36% responded that it had had no effect.

Whilst only 14% of respondents felt that the cost and availability of farm machinery had been very negative for their businesses this year, 39% cited it as being somewhat bad. A similar figure, 36%, however, said there had been no effect.



Changes in regulations were seen as very negative by only 8% of respondents, but 33% said they’d been somewhat bad for their businesses. However, 50% said they’d seen no effect.

Pricing and credit saw a ‘very negative’ label by only 8% of resellers, but 40% described it as somewhat bad. 34% said it’d had no effect.

Milk, lamb, beef and crop prices were the least ‘very negative’ factor, according to only 5%. However, a large proportion (40%) said they had been a somewhat bad factor, while 27% felt they had had no effect.

THE RESELLERS’ PERSPECTIVE: ENVIRONMENTAL, POLITICAL, AND TECHNICAL INFLUENCES

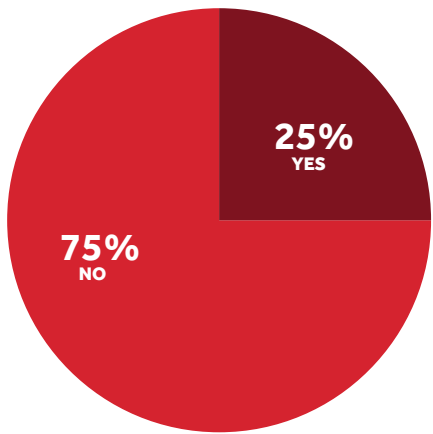
Over 2023, legislation and a number of other factors have affected the sector.

Here, we look at how impactful they have been...

Q. In 2023, was your business impacted by any legislation changes?

3 out of 4 people replied that they had not been affected.

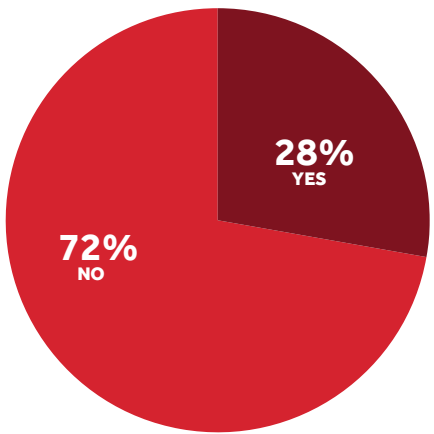
However, a small proportion (1 out of 4) had seen legislation changes impact them.



Q. Has the Green Agenda affected your business or business plans in 2023?

As with the previous question, the majority of respondents (72%) said the Green Agenda had had no impact.

Nevertheless, 28% said it had affected them. We can deduce from these responses that the topics of legislation changes and the Green Agenda were not as dominant for our reseller customers as they were in the past (particularly around the time of the Brexit implementation saga).



Feedback from our respondents

“ Farmers are spending less in fear of future regulations. ”

“ I have dairy farmers who are cutting back on stock and reducing herd numbers. This will, in turn, affect my business. ”

“ Combustion engines will start to become less common, so we are in the process of looking to diversify certain areas of our business. ”

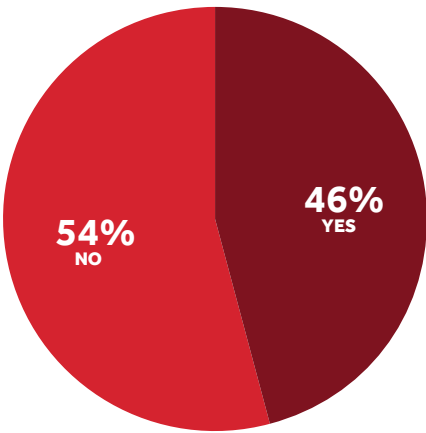


THE RESELLERS’ PERSPECTIVE: ENVIRONMENTAL, POLITICAL, AND TECHNICAL INFLUENCES

Q. Are you planning on making any investment in technology?

This was a fairly even split, with 54% responding that they were not planning on investing in technology versus 46% who were.

This points to a more positive outlook on the current climate and future prospects from the reseller’s point of view, compared to the farmers’ responses on investment in machinery.



Feedback from our respondents

“ I intend on buying a hydraulic crimping machine for repairing hydraulic hoses. ”

“ We cut our electricity bill by more than half by installing 22 X PV Panels – we’re considering doing more. ”

“ We’ll be getting a new phone system and tablets for drivers instead of paperwork, and we’re also introducing the scanning of goods in and out. ”



THE RESELLERS’ PERSPECTIVE: LOOKING AHEAD

Q. What number would you use to rate the outlook of the *Irish farming sector* in 2024?

(0 being terrible, 10 being excellent)

43% of respondents rated the marketplace a 5.

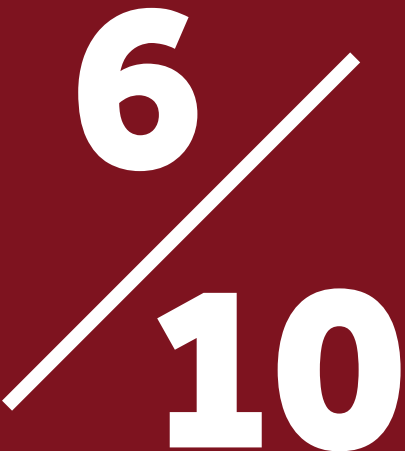
This is two points lower than the resellers’ response to the state of the market for 2023, suggesting they see next year as being more challenging than this one for the sector is general.



Q. What number would you use to rate the outlook of *your business* in 2024?

55% of respondents rated the marketplace between 5 and 7, with the average being 6 out of 10.

This suggests that, despite a slightly less positive outlook on the Irish farming sector itself (as above), when it comes to people’s own businesses, they are generally optimistic about their prospects going into 2024.





THE RESELLERS’ PERSPECTIVE: LOOKING AHEAD

Q. Thinking about the farming sector, how confident are you about the following farm activity in 2024?

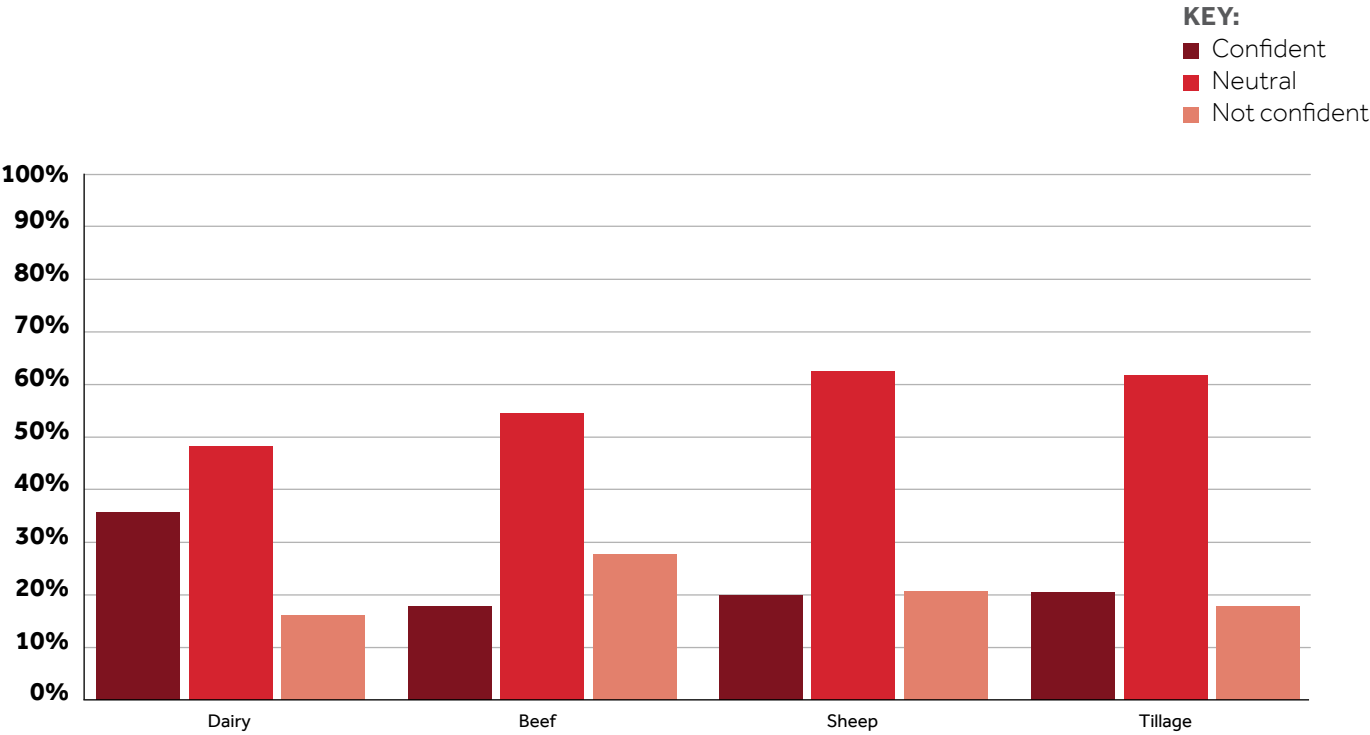
Dairy farming saw the highest rate of confidence, at 36%, followed by tillage at 21%, sheep farming at 20%, and beef at 18%.

Most people were neutral in their confidence in each sector: sheep farming topped the poll here with 63% of respondents, closely followed by 62% feeling neutral about tillage. 55% of those surveyed were neutral about beef farming, and 48% were neutral about dairy.

Beef farming was felt to be the weakest area, with 28% of respondents stating they were not confident about it. 21% of those surveyed said they were not confident about sheep, followed by 18% feeling that way about tillage, and 16% placing dairy in that bracket.

These numbers suggest that dairy has the most positive outlook for 2024, followed by tillage, then sheep, and, finally, beef.

“Prices will fluctuate in the different sectors due to outside forces – political, war, or weather – but work will continue and the years will average out.”



RESELLERS’ SUMMARY

With the data gathered from this survey, resellers seem to have a more favourable view of 2023 than farmers, with the vast majority (78%) either having the same or better performance this year. Although they forecast next year as being more difficult, it is still higher than the farmers’ prediction.

**Cost Concerns:**  
For many resellers, rising costs – especially in transport, energy, and input costs – were a significant concern. They also noted the price increases of products and services as being an issue, as well as inflation and the high prices of parts and machinery. Overheads, rates and insurance costs, along with concerns about interest rates and the cost of credit, were also mentioned by respondents.

**Weather-related Challenges:**  
Mixed weather, worse in the second half of the year, has impacted the sector. Unseasonably wet weather affecting harvests and farming activities was the main factor coming up in comments from our reseller survey.

**Labour and Staffing Issues:**  
Another issue mentioned was that of labour shortages and the cost of labour. Resellers cited challenges in recruitment (retaining and replacing staff), saying they’d had difficulty in finding competent and reliable employees to join their businesses.

**Supply Chain and Logistics:**  
The supply and availability of products, delays in machinery delivery times, parts procurement and vehicle supply issues, and sourcing of components in a timely manner were all mentioned by respondents to this survey.

**Economic and Market Factors:**  
Although Brexit itself is in the past, some respondents mentioned challenges still arising from it, especially concerning imports and exports. They also noted a decrease in Agriculture income and farm gate prices, as well as volatility in the market and competition, particularly online with the likes of Amazon.

**Operational Challenges:**  
Cash flow and debt collection, late payments and credit issues, and challenges in maintaining stock and inventory were cited by some respondents as being an issue this year.

**External Factors:**  
There was an emphasis on climate change and its impact on farming, particularly in the changing rules, regulations, and paperwork requirements.

In summary, the year has been a fair to good one for resellers, as reflected by the score of 7/10 for their rating of the Agricultural Marketplace – probably why they are more optimistic for 2024 than our farmers.

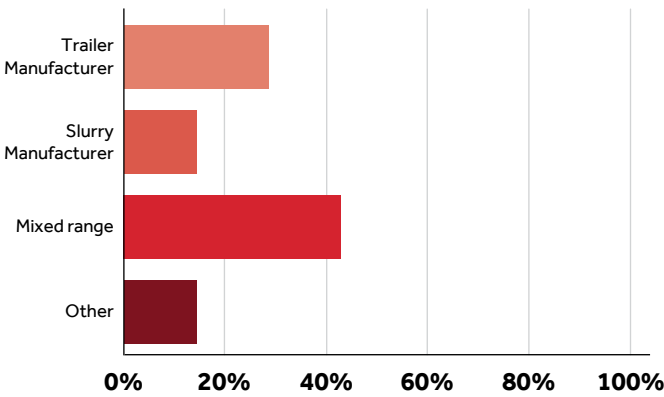


THE OEM PERSPECTIVE: BACKGROUND OF RESPONDENTS

Q. How would you describe your business?

The majority of respondents (43%) described themselves mainly as mixed range manufacturers, followed by trailer manufacturers at 29%.

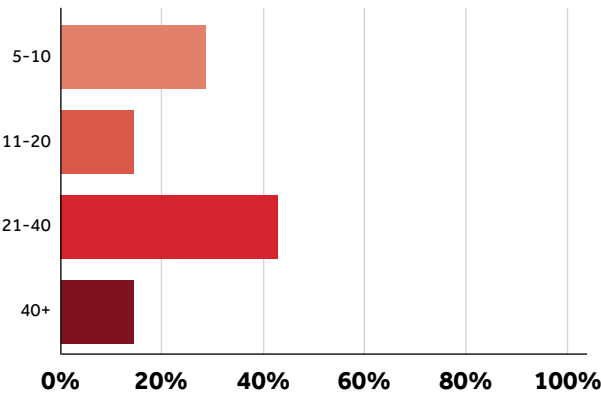
The remainder of those surveyed fell equally between slurry equipment manufacturers and other types of businesses, both at 14%.



Q. How many people are employed by your business?

Most businesses (43%) had between 21 and 40 members of staff on their team, with a slightly smaller number (29%) having 5 to 10 employees.

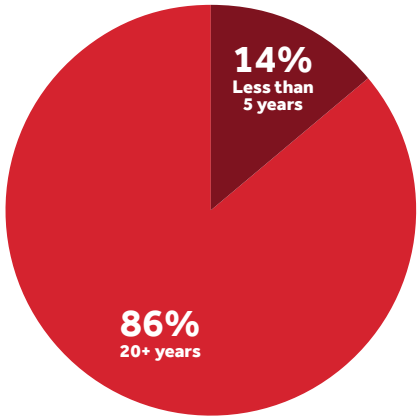
14% of our OEM respondents had between 11 and 20 employees, and the same percentage again had over 40 people employed.



Q. How long has your business been trading for?

A huge proportion of those surveyed, 86%, stated they'd been in business for over 20 years.

Only 14% had been trading for less than 5 years.



THE OEM PERSPECTIVE

For the purposes of this survey, Original Equipment Manufacturer has been abbreviated to OEM.



Q. What number would you use to rate the *Irish Agricultural Marketplace* out of 10?

(0 being terrible, 10 being excellent)

Out of the OEMs surveyed, the majority cited the marketplace as a 6.

This was a point lower than the resellers' perspective (7) and a point above that of the farmers (5).

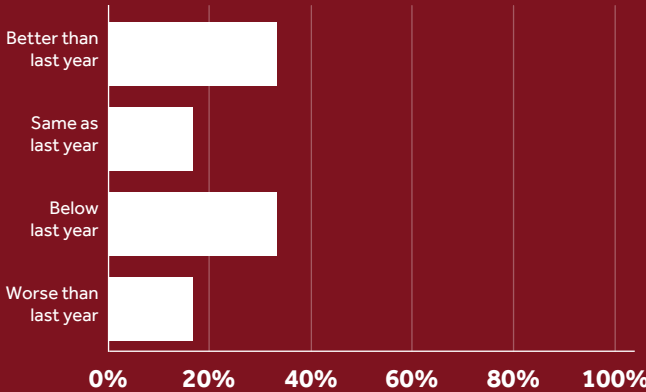


Q. How has *your business* performed?

The stats from this question show that 33% performed better and 17% the same as last year.

However in equal proportion were those who stated performance as below (33%) and worse (17%).

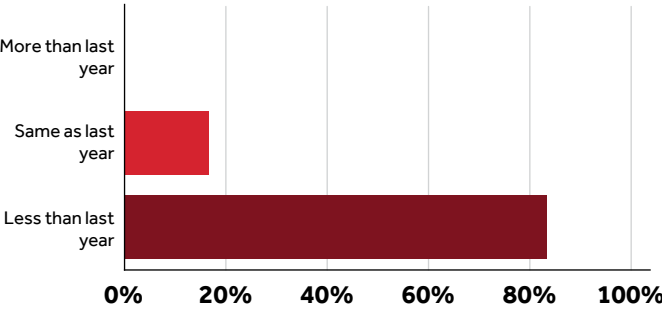
With this range of findings (50% same or better/ 50% worse or much worse), perhaps this correlates to why OEM respondents rated the year in the middle of the farmers and resellers.



Q. In terms of spend on goods and components this year, how much are you spending?

An overwhelming 83% stated they were spending less than last year, with the remaining 17% spending around the same.

None of the OEM respondents were spending more than that of 2022. This is consistent with trends across the country where manufacturers forward bought components in bulk, due to shortages and delays during Covid – and are still working their way through their stock of parts and raw materials.

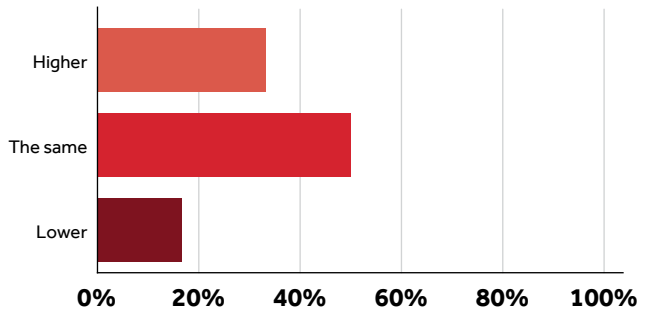


Q. Thinking about the level of stock in your business now compared with this time last year, is it:

50% of OEM respondents said their stock levels were the same as last year's.

33% stated their level of stock was higher than that of 2022.

17% responded that their stock levels were lower in 2023.





THE OEM PERSPECTIVE: FACTORS AFFECTING THE AGRI SECTOR

The price of materials and the weather have been an issue for many this year, with some feeling there's been a lack of confidence in the Agricultural sector as a result.

Let's take a closer look at what's been impacting OEM respondents in 2023...

Q. How have the following factors affected your business?

Labour availability was the most significant factor: 67% deemed it very negative.

Energy costs were largely concerning: 50% of respondents described them as very negative, whilst 33% said they were somewhat bad.

Milk, lamb, beef and crop prices were seen as very significant with 83% rating their effect as 'somewhat bad'.

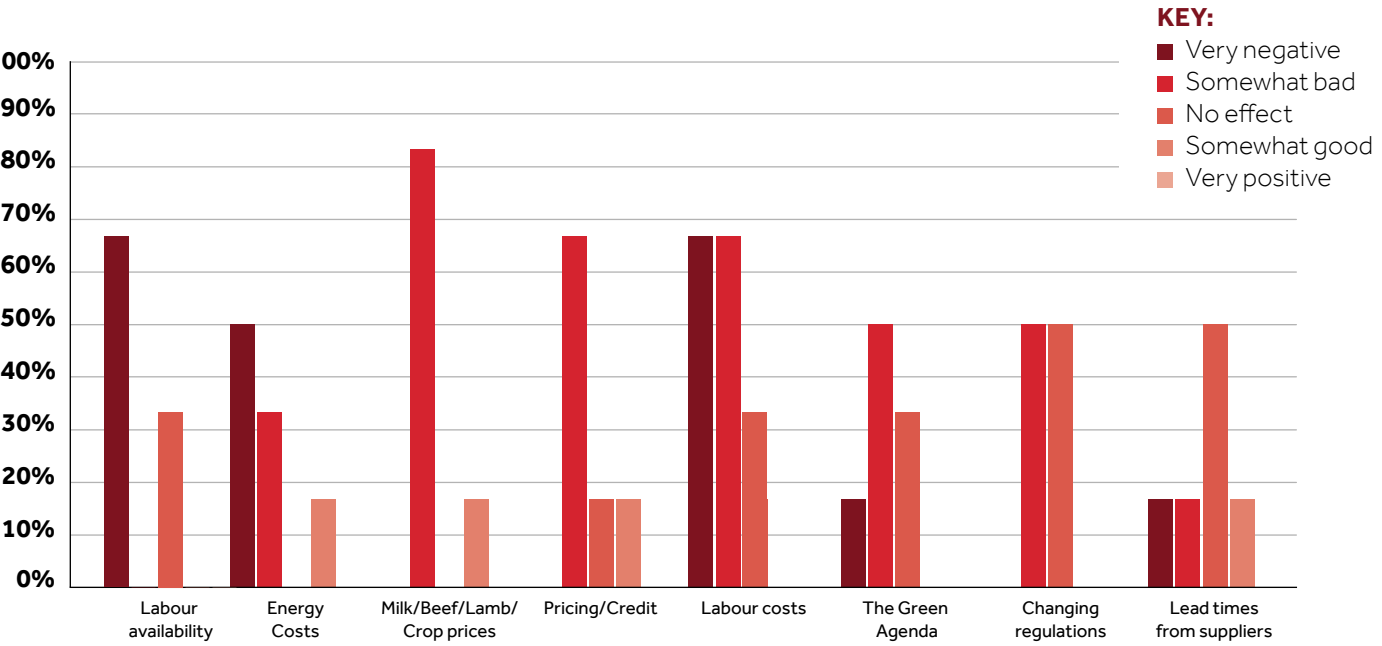
Pricing and credit saw a 'somewhat bad' label from 67% of respondents.

Labour costs had a similar placement of 'somewhat bad', again with 67%.

The Green Agenda was seen as very negative by only 17% of respondents, but 50% said it'd been somewhat bad for their businesses. However, 33% had seen no effect from it.

50% of respondents found changing regulations to have been somewhat bad for their businesses, whilst the other 50% said they'd seen no effect from them.

Lead times from suppliers don't seem to be as much of an issue as in recent years, with 50% saying there had been no effect, and another 17% saying they had been somewhat good for them.



THE OEM PERSPECTIVE: FACTORS AFFECTING THE AGRI SECTOR





THE OEM PERSPECTIVE: ENVIRONMENTAL, POLITICAL, AND TECHNICAL INFLUENCES

Over 2023, some changing regulations have affected the sector, amongst other factors.

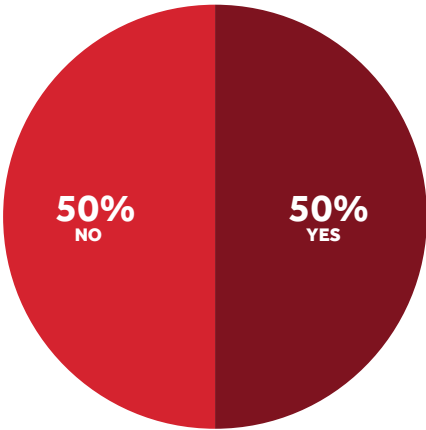
Here, we look take a closer look at what respondents said...

Q. In 2023, was your business impacted by any legislation changes?

This was a clear split, with 50% saying there'd been no effect from changing legislations, and 50% saying they'd been influenced as a result.

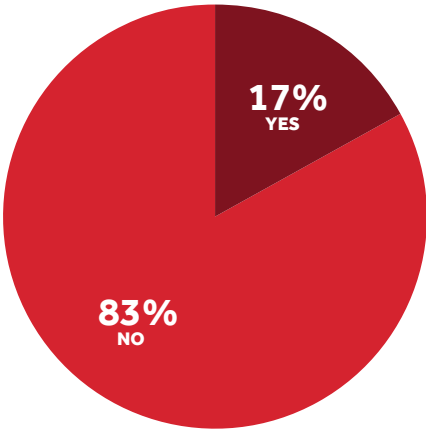
Some respondents cited the change in welding gas extraction unit laws.

Others mentioned the ongoing changes to EC Whole Vehicle Type Approval since Brexit.



Q. Has the Green Agenda affected your business or business plans in 2023?

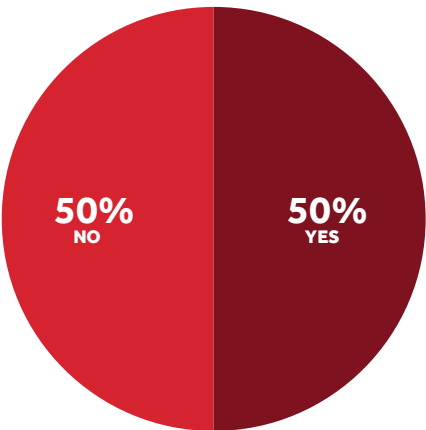
The majority of respondents (83%) said the Green Agenda had had no effect, but 17% said it had impacted them.



THE OEM PERSPECTIVE: ENVIRONMENTAL, POLITICAL, AND TECHNICAL INFLUENCES

Q. As a business, are you investing in technology?

This was again an even split, with 50% responding that they were not planning on investing in technology, and 50% who were.

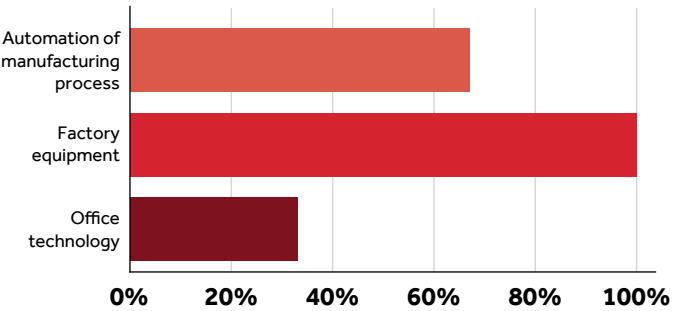


Q. Which areas of technology are you investing?

Of those investing in technology, all respondents (100%) are spending on factory equipment.

Roughly two thirds, (67%) are also investing in the automation of the manufacturing process.

A further third, 33%, are upgrading office technology to streamline their business.





THE OEM PERSPECTIVE: LOOKING AHEAD

Q. What number would you use to rate the outlook of the *Irish farming sector* in 2024?

67% of respondents rated the marketplace a 6.

This is the same rating as their placement of the sector in 2023, suggesting that whilst there may have been concerns or challenges in some areas, OEM respondents don't feel there will be a huge shift in the year ahead. It is slightly higher than the resellers' rating of the 2024 outlook (5), which was in line with the farmers' perspective (5).



Q. What number would you use to rate the outlook of *your business* in 2024?

33% of respondents rated the marketplace a 5.

This suggests that despite a slightly less positive outlook than on the Irish farming sector itself, when it comes to people's own businesses, they are still determined in the face of future challenges.



OEM SUMMARY

OEM respondents, on the whole, seem to have had a fairly level 2023, with an even split between those performing better or the same and those performing below or worse than last year.

**A mixed impact:**  
In the main, costs were up and demand was down, there was an even split between those affected by legislation, and the vast majority had not been impacted by the Green Agenda.

**Future outlook:**  
Although there were some concerns regarding the dairy industry, with respondents citing uncertainty, rising costs and decreasing prices as a future worry, there was also a sentiment expressed amongst OEM respondents that there would be 'no great change either way' and that they would continue on as they always had – adapting to any challenges ahead.

**Future focus:**  
OEM respondents stated that their focus for the year ahead will be on boosting sales (both at home and through export markets such as the UK, Australia, New Zealand and the USA), launching new and improved product lines, and maintaining staff levels through supporting their needs.

Overall, data and feedback from this survey's respondents suggests that there is confidence in the Irish Agricultural sector, as well as its ability to perform competitively at a global level.

“Interest rates are on the rise and milk, beef and sheep prices are down.”

“Declining milk and beef prices in Q3 and into Q4, coupled with potentially rising prices in commodity inputs means farmers are likely to reign in capital and equipment spending until 2024 or even 2025 if they can stretch it. As a result, dealers who are already well stocked will be cautious.”

“We would be cautiously optimistic about the Irish market but I'm glad we're not completely reliant on it. We have, rightly or wrongly, all but ignored the UK over the last 6 or 7 years. We plan to invest very heavily there, particularly in England and Scotland over the next 12-18 months.”



# A CLOSER LOOK AT THE YEAR 2023

Expert market analysis in a time of change  
and uncertainty



# A ROUND-UP OF EXPERT VIEWS AND OPINIONS

Following our surveys across the summer, the Knowledge Report sought to dig deeper into the market position and factors affecting this year, as well as to look ahead to 2024.

On the 10th October 2023, our independent researcher conducted an expert focus group in a face-to-face setting.

The Expert Group included representatives from the FTMTA, FCI, Genfitt, and the farming media, as well as a farmer, a farm contractor, and a machinery importer and distributor.

By holding a discussion with the focus group, we were looking to provide a deeper perspective on the state of the Agricultural sector, digging deeper into the marketplace trends and issues identified in the survey phase of the research conducted between June and August.

As this part of the research was qualitative, findings are reported in an editorial review with some key stats, thereby enabling a comparison of perspectives as well as trends from previous years.

**This year the group debated:**

- the state of the market in 2023;
- current issues in the Irish Agricultural sector;
- the key issues in the sector;
- a look to the future – 2024 and beyond.



# THE STATE OF THE MARKET IN 2023: KEY CHALLENGES

When asked about the state of the market in Ireland there was a range of scores, the lowest being 4.5 and the highest being 6 out of 10. Producing an average score of 5 out of 10 – and making 2023 a slightly below average year – this is comparable to the farmers’ perspective in the survey part of the study.



## The General sentiment is lack of marketplace confidence.

**Overall, 2023 was a tough year with low confidence in the marketplace being a key issue.**

High prices (some people mentioned '25% – 100% price increases'), combined with rising general business costs, has impacted on the readiness of people to spend. Citing reluctance and, in some cases, a fear factor, the general sense from our expert group was to hold back on investment until more certainty becomes apparent.

Also mentioned were farm gate prices being down – our focus group participants pointed to the lack of profitability across all farming sectors this year. This was most keenly felt by tillage and dairy farmers both coming from the record highs of 2022.



# BREAKING DOWN THE FACTORS

## Weather

Despite a super start to silage making in May and June, 2023 was seen as a very tough year weather-wise; wet and largely unpredictable, harvesting and grazing grass has been difficult. This has made winter feed expensive – and, in many cases, of a poor quality.



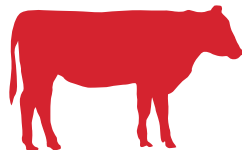
## Dairy

Milk prices have dropped by 50% from the record highs of 2022. Where last year milk prices were in the mid to late 0.60c, this year they have dropped to mid to late 0.30c. This has led to a sharp decrease in income, affecting confidence in the Dairy sector, as input prices for many items have remained high.



## Beef

The market price for beef and store cattle was on fire in the spring of 2023, but this cooled over the course of the summer and into the autumn – although prices are currently on par with, or a little above, last year (Nov 2023).



## Tillage

The tillage sector has also been hit hard this year, due to the wet weather impacting on sowing and harvesting. Some of our experts rated the tillage sector as 3/10, with grain and straw yields much lower compared to that of previous years.



## Brexit

According to our experts, the Brexit cloud turned out not to be too much of a threat, despite several years of concern. The impact seems to be most seen in increased administration and custom forms requiring navigation. This, therefore, has added time and money onto the process of selling and buying from the UK.



## Machinery

The price of machinery has continued to increase; our expert group suggested that demand is going down as a result. People are cautious about the future and therefore are not committing to large investments as they have done in the the Covid years. This was reflected in the farmers’ survey response to machinery spend on p.12, where the vast majority were in the €10k or less bracket.



Machinery sales were also seen to be slowing due to the longer-term carbon issue and future legislation; the feeling of participants was that buying something now as a long-term investment could be impacted by changes in regulation.

There was also the matter of the depreciation costs increasing on machinery; one of our experts stated that over the last two years depreciation costs were up to 77%. When asked to rank the OEM market specifically, our experts placed it as below average, with a score of 4/10. This was at odds with our quantitative data, which suggested a higher score – in some cases as high as 7 or 8 – with export markets and non-agricultural sectors (such as construction) being particularly positive.

This leads us to conclude that the reason for the higher score is the breadth of market diversification as well as the geographic spread, not relying on one market e.g. Agriculture, or one country, i.e. Ireland.





# EXPLORING MIXED RESULTS IN THE OEM SECTOR

**We noticed there were some differences of perspective in our findings during the two stages of our research, with the quantitative data being more positive than that of our expert focus group. Here we outline why they thought that could be...**

Some participants said...

- Due to Covid, the OEM business changed, and people were carrying less stock.
- Perhaps a backlog of orders clouded the reality.
- It's possible the timing of the survey (June/July) skewed the results.

Despite the lower score noted by the experts, it was further acknowledged that the OEM business is more diverse in terms of sector and geography; so, if Agriculture is down, construction can be up.

Our independent researcher observed that it's harder to identify trends in the OEM sector as businesses in the OEM market are quite different to one another; trends are harder to establish in a smaller, more diverse specialist market than in that of reselling or farming (which are, overall, more commoditised as sectors).

## Environment

By far and away, this was the biggest topic of discussion from our experts. The general sentiment was that the Agricultural sector receives bad press when it comes to the environment, one that focuses overall on the

negative impact of the sector rather than providing a fair and balanced view on the industry and the many, many positives farming brings.

The focus on the carbon emissions by different farming practices neglects to take into account the positive impact of carbon capture on the environment. As our participants pointed out, perhaps this news isn't associated with farming; carbon capture by trees and hedgerows and wetlands on farms all over the country is not being recognised by environmentalists in the media.

Going forward, our experts challenged the sector to put forward the positive impact of farming, an industry with a deep and rich history for Ireland. They keenly felt the need for a more balanced view of our environmental impact, tired of the narrative that the farmer is the enemy and the limited, or lack of, education in this area.

It was suggested that the 'carbon' issue, like Brexit, is a current focus – one that is possibly clouding other issues and sectors having a bigger environmental impact. There was a great sense of frustration around poor communication and a lack of education on the issue.

### So, how to resolve this?

Our experts advocated for an urgent repositioning of Agriculture as a sector. We need to seize this opportunity to position the sector more positively; Irish Farming is farming at its most natural, using grass-fed beef and milk production. So, it is imperative to fight our corner – we need to shout out about the quality of our food and food security.

With regards to the environment, the positive side (carbon capture) needs to be championed, while having awareness of the many strengths we need to improve on.

## Skilled labour issues

The ongoing issue of shortage of skilled labour is a concern carried over from last year. The simple fact of it remains: fewer people are attracted into the sector than in previous decades.

Unfortunately for the sector, this is causing issues at present with staffing, and a bigger issue in the future in terms of succession planning in family farms and businesses.

### What did our experts feel was at the root of this?

It was mentioned that with Ireland having full employment for the first time in a long time, it is almost impossible to get staff in any industry; participants suggested "only a good recession would improve this" – an unfortunate situation to be in, but an honest view nonetheless.

Restrictions in global recruitment play a part. Young Irish people go to New Zealand and Australia, but with no working visas for people to come to us from those areas of the world (people used to the same equipment, with no language barriers to overcome), we lose people, and can't replace them with a similar level of skill in return.

If young people aren't travelling, they're going elsewhere to upskill. Our focus group suggested that farm families want their children to go to college rather than farming. Wage rates also mean it is difficult to compete with other sectors.

Without the ability to fund a permanent labour force and the fact that farming is often seasonal work (and the season getting shorter), as well as competition with the construction sector for recruitment, we as a sector may need to consider alternative ways to attract and retain labour. One option could perhaps be contractors taking on part-time workers during the busy summer season;

people taking holidays from their main jobs or working in evenings and weekends around their main employment (such as Guards, teachers or firefighters, for example) might be well suited.

## Stock availability

This was an area where our experts felt the sector had improved. Stock availability was a concern back in 2020 due to Covid; however, it has since improved over 2021 and 2022, to the point it is now a non-issue.

Having said that, the cost of stock is troubling, with prices having risen (as detailed on p.43). This is something we may well still see in 2024 as the cost of living crisis continues.

## Technology and digital adoption

The Covid pandemic forced a move online for many industries, and agricultural businesses followed suit and digitised. Consequently, we have seen an increase in the adoption of online software and technology in an industry traditionally behind the curve on technological advancement.

Despite the return to a new normal, sales continue to rise via online channels. Additionally, more and more people are using apps and digital sources for pricing and news updates.

Whilst money transfer and ordering are now happening at the touch of a button, the question remains: how does this more digital world affect the culture and wellbeing of the farming sector? Given that this is a sector traditionally serving people face to face, we need to consider the isolation of farmers. As one of our experts noted, after all, "You can't post a handshake." We should evaluate the long-term impact of digitising on our farming culture, and be mindful of the trade-off it has in our relationships with fellow farmers and those in the industry.





# IRELAND COMPARED TO THE REST OF THE WORLD

The common theme across Europe and the rest of the world was that 2023 was a difficult year for farming across the board.

## Looking at Europe

Challenges were felt in Europe across all agricultural sectors, not just grass-based businesses other types of farming on the continent are more prominent than here, such as fruit farms or vegetable farms.

Eastern Europe found itself in a difficult market due to inflation; for example, there was an 8% decline in tractor sales across Europe.

Labour seems to be a problem in every country. In Holland, Agri-contracting businesses went as far as going into primary schools driving a tractor to promote the sector.

It is worth noting that current legislation is made in Europe and implemented in Ireland, so similar environmental legislation is in play.

With regard to the Dairy market specifically, both Ireland and the rest of Europe saw the impact of mixed weather on their productivity. According to research published in

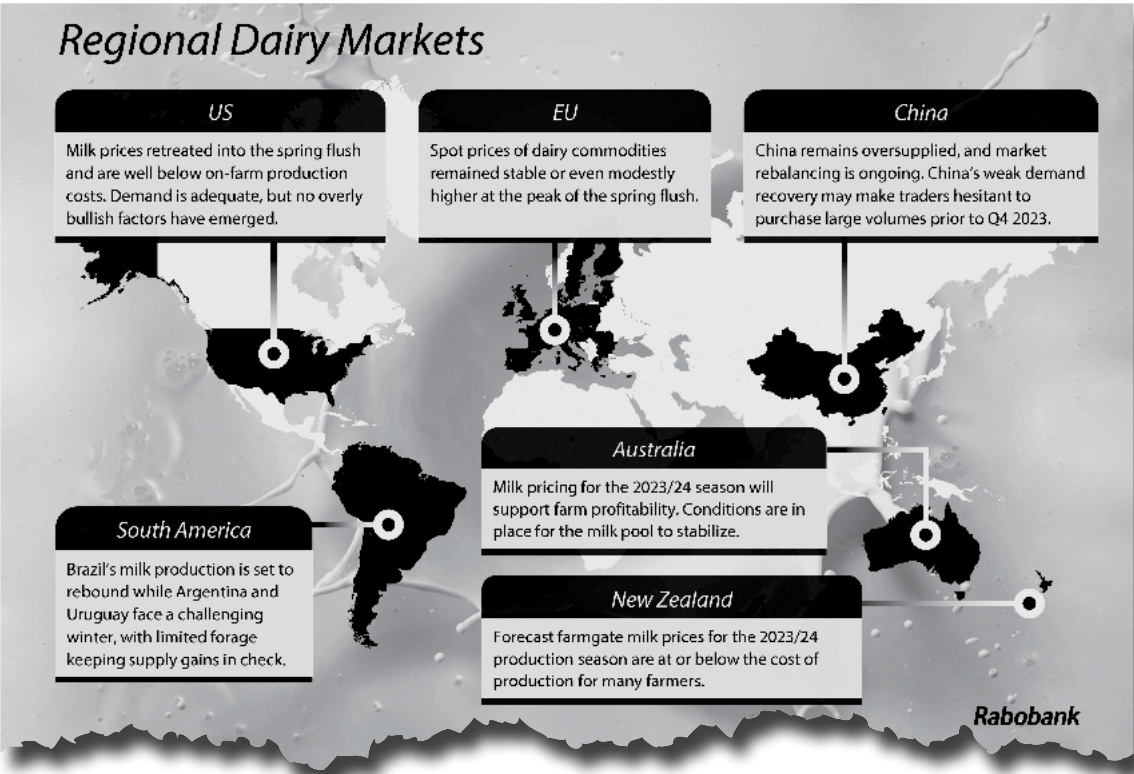
June this year from Rabobank in its Global Dairy Quarterly Q2 2023, "spot dairy commodity prices remained stable or even moderately increased [...] at the peak of the spring flush; [this quarter] was negatively impacted by poor weather conditions across Europe."

In this publication, the outlook for the remainder of 2023 weather-wise was cautious: "while farmers have managed to sustain production growth despite lower farmgate milk prices, primarily due to lower feed costs, weather volatility in some regions could slow deliveries further." As we now know, the mixed and unpredictable weather certainly played its part for our tillage farmers and, by proxy, the Dairy market (see p.44).

## Looking at the rest of the world

In places such as the USA, Europe, China and Australia, there is a soft demand and higher costs. China saw a lot of oversupply this year, impacting its wastage and profit margins. New Zealand also oversupplied; therefore, the dumping of stock is set to continue into 2024.

The Irish propensity for being emotionally attached to their farms and animals often affects our practices and decision making. In other parts of the world, farm businesses are more objective and decisions are often made differently based on cold hard figures – culling of stock, selling up of farms.



# LOOKING AHEAD – 2024 AND BEYOND

When asked for their thoughts looking further ahead to the end of 2024, our focus group predicted a tough 12 to 18-month outlook, possibly seeing a rise in confidence this time next year. Their reasoning was that from 2021-2022, costs went up 32%; this is something that can't continue without making 2024 difficult for the sector.

Ultimately, they rated 2024 as 4.5/10, advising that it will get a bit worse before it gets better.

In terms of their perspective for 2025, whilst next year is expected to continue being a challenge, there will be a predicted recovery in 2025.

Nonetheless, farming in Ireland has the capacity for a great future. Agriculture is a resilient industry, and we continue to show our adaptability as a collective industry time and time again.





# SUMMARY

**With an overarching score of 5/10 for 2023 as a whole, we can see that the year has been another challenging experience for a large proportion of our industry.**

Uncertainty, rising input costs, decreasing farm gate prices for all produce – and no increase on the horizon – has contributed to a negative impact on the Agricultural sector. Bad weather has impacted heavily on grain yields and returns per acre, and there is the sentiment that no one is defending us on climate issues.

Machinery manufacturing has had mixed reviews, with some of the more positive OEMs relying more on overseas markets. Overall, our prediction is that 2024 will be worse than 2023, but that it will get better, seeing a recovery in 2025.

Farming is the largest indigenous Irish industry: it's our heritage. Currently going through a transition, we need to reposition and reframe the narrative. It is our story, and we must tell it right.

**Irish Agriculture is a tough but very resilient industry, and people will always need to eat. The old saying, 'We'll weather the weather, whatever the weather, whether we like it or not' rings true – we will continue to press on through challenges ahead, adapting and waiting for the clouds to clear.**

# FINAL WORD

**We hope you find this report useful as a barometer of market trends from people in the industry.**

**We would like to thank all the customers, trade bodies, associations, and expert commentators for their participation in 2023.**

**Take care of yourselves as we move into 2024 and adapt to our next economic landscape.**

# GENERATIONS OF KNOWLEDGE AT YOUR SERVICE





We would be delighted if you would take part next year.  
If you're interested in participating, or would like more  
detail on this year's results, please contact Genfitt via:

**robertlyons@genfitt.ie   +353 (0)94 938 1377**



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