

THE GENFITT KNOWLEDGE 2024



PERFORMANCE TRENDS
IN THE IRISH AGRICULTURAL SECTOR

FOREWORD



RONAN EGAN
Managing Director, Genfitt

Welcome to the 9th edition of the Genfitt Knowledge Report.

Welcome to the 9th Edition of the Genfitt Knowledge Report, our annual survey capturing the trends and perspectives shaping the Irish Agricultural sector. I would like to extend my gratitude to our Genfitt Marketing team, our colleagues at Kramp, our partner Agriland, and especially the customers, farmers, and industry experts who contributed to this year's report.

The 2024 edition is based on insights gathered from over 2,200 participants, including farmers, farm machinery dealers, agri merchants, and machinery manufacturers. These voices provide a valuable understanding of the current state of the sector and the evolving challenges and opportunities that lie ahead.

While this year's findings highlight some immediate concerns, such as fluctuating input costs and changing regulations, the resilience and adaptability of the farming community continue to shine through. We believe the data in this report offers not just an overview of the current climate but also a blueprint for navigating future developments with confidence.

We are proud to present this year's report and hope it serves as a useful resource for everyone involved in Ireland's agricultural industry. Despite the hurdles we face, we remain optimistic about the sector's future, confident in its capacity to innovate and thrive.



PHILIPPE EVERAERTS
Managing Director
South-West Europe Kramp

In July 2023, Kramp re-entered the Irish market after an absence of 15 years through the acquisition of Genfitt. In 2024, we have been working hard to introduce the Kramp assortment and delivery service promise. To this end we were excited to launch our new Kramp Irish webshop where customers have access to over 315,000 products.

In 24 European markets, we have invested to become the essential partner in parts and service to 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 in the Autumn, when our customers and their customers are planning for the coming year. I am therefore proud for Kramp to continue to produce this informative piece of research for a ninth year and I hope you find it of value.

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INTRODUCTION

Welcome to the annual Genfitt Knowledge Report

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

2024 has been a mixed year overall for both farmers and dealers. With difficult weather conditions at various stages of 2024, the rising cost of living and the new focus on Nitrates Regulations being cited as the main concerns for farmers, it's been challenging to keep profit margins healthy or, indeed, visible in some cases. However, we can see from our survey results that the majority of farmers are determined to keep going as they have always done, and that this year has not been affected.

Research was carried out, via online survey questionnaires with our customers, farmers and manufacturers. Our second year of surveying the farmers of Ireland, in conjunction with Agriland, delivered some excellent insights into the mood & feeling 'on the ground'.

Finally, our annual Expert Group Meeting provided some further analysis of the hot topics of 2024 and where the road may lead into 2025 and beyond for the Agricultural sector. Genfitt, a well-established supplier to the Agricultural sector, continues to invest in research and insights to support our customers to ensure they outperform the market. This report is essential for anyone that 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 the survey participants. Without their time and commitment, this would not have been possible. Special thanks also to Agriland for their much-appreciated support on the farmers' survey - it was an excellent insight once again this year.

We hope you find this report of value, and please do not hesitate to contact us directly with any feedback or suggestions for 2025. We hope the remainder of 2024 will be positive for you all.

FTMTA
Farm Tractor & Machinery Trade Association

 **Agriland**



METHODOLOGY

**This report was conducted from July to September 2024:
There were three distinct phases of the research:**

1. DESK RESEARCH

Identify the macros issues in the Agricultural Industry in H1 2024.

2. ONLINE SURVEYS

Our desk research was informed by an online farmers' survey run in partnership with Agriland. We also surveyed our customers. Respondents were as follows:

- 2,208 respondents to the farmers' survey:
112 respondents to the dealers and manufacturers surveys
- Spread across two data sets:
Farmers' and customers'
- Covering all 32 counties in Ireland

3. FACE-TO-FACE EXPERT GROUP

Outcomes of the first two phases were discussed in face-to-face groups to draw conclusions concerning the key trends of 2024, as well as predictions for 2025 and beyond.

The resulting report provides a review of 2024 as an assessment and the outlook for 2025. It is split into two main sections:

- **Feedback from the surveys**
- **Expert group analysis**

THE MACRO TRENDS AFFECTING THE IRISH AGRICULTURAL SECTOR 2024

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

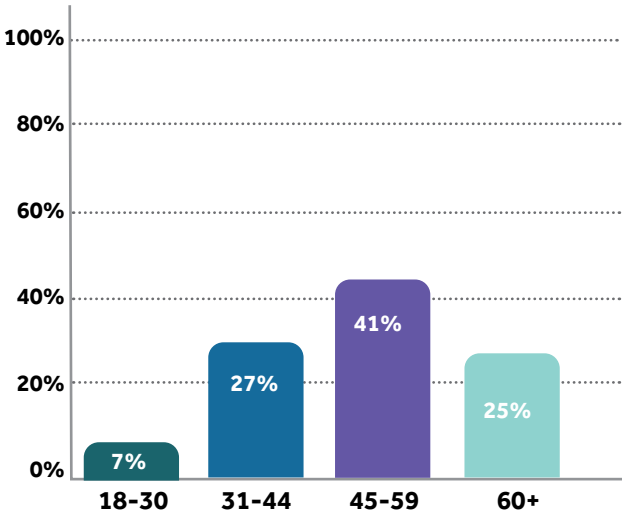
- **The state of the agricultural market in 2024**
- **Factors affecting the Agricultural sector**
- **Other factors: environmental, political, and technique influences**

THE FARMERS' PERSPECTIVE

BACKGROUND OF RESPONDENTS

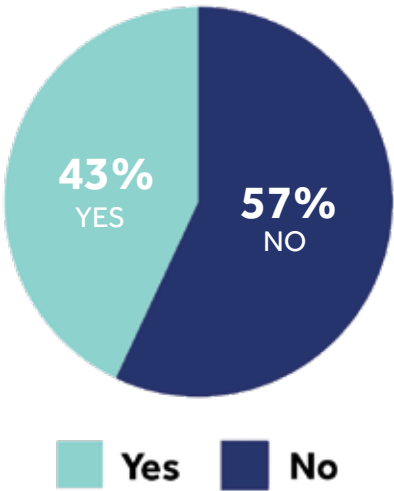
Q. How old are you?

The average age was between 45 and 59, with 41% respondents in this bracket.



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

Despite growing concerns about the ageing farming population in Ireland, the lack of succession planning is a major issue in the agricultural sector. This is most pertinent here where family farms are often passed down through generations.

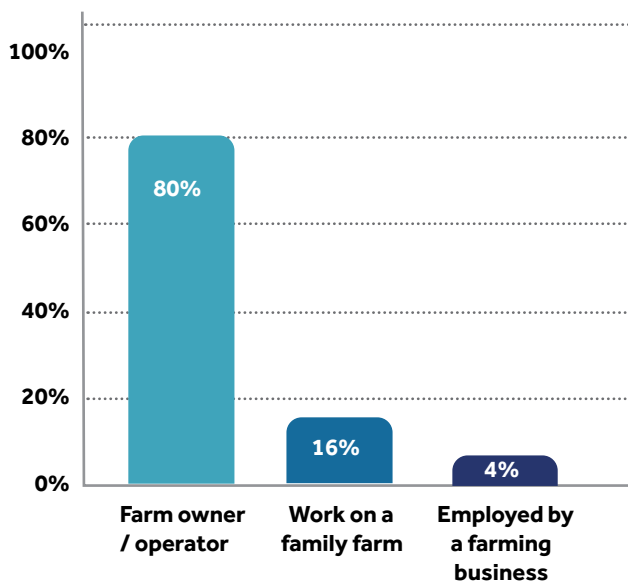


THE FARMERS' PERSPECTIVE BACKGROUND OF RESPONDENTS

Q. Which of the following best describes you?

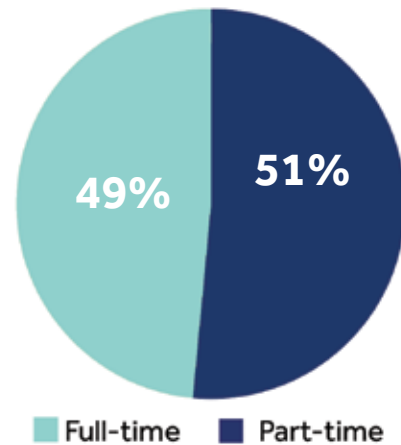
The vast majority, 80% of respondents, are farm owners or operators.

We can draw from this that our surveyed farmers have a strong knowledge of the market.



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

This was a fairly even split, with 49% farming full-time and 51% farming part-time.



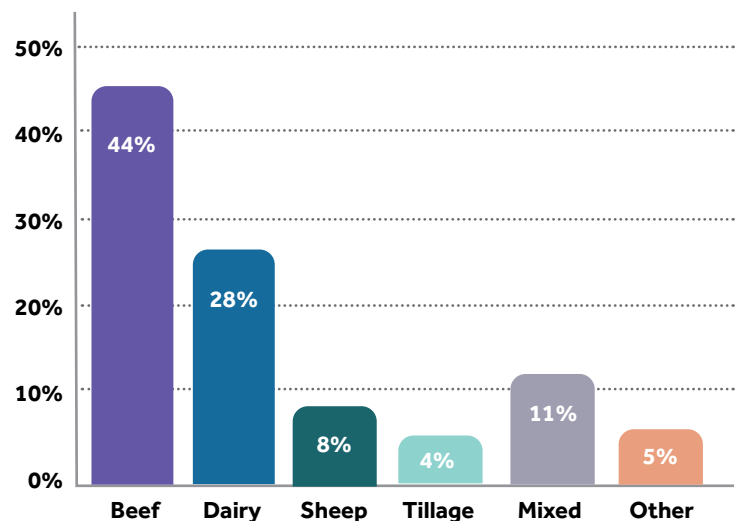
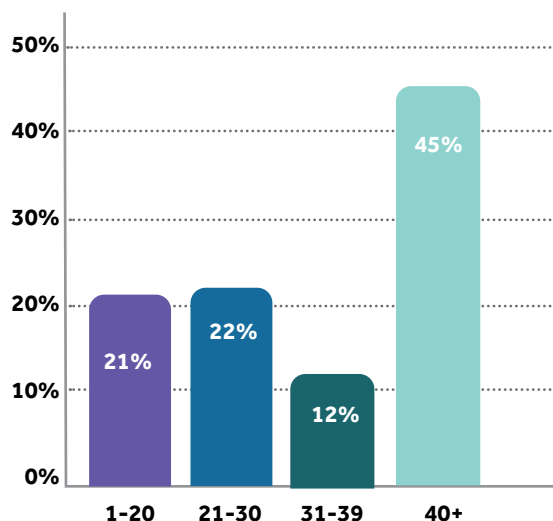
Q. What is your primary farm enterprise?

Beef farming was the main enterprise for our farmer respondents at 44%.

Dairy farmers accounted for the next highest group with 28% of the total.

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

45% of our respondents worked over 40 hours a week.



THE FARMERS' PERSPECTIVE THE STATE OF THE MARKET IN 2024

Q. Overall, how would you rate the state of the Irish Agricultural Marketplace, out of 10, in 2024?

(0 being terrible, 10 being excellent)

62% of respondents rated the market 5-7, which is more optimistic than last year for the same cohort. The average score was 5, which is the same rating as 2023.

5 / 10

"While milk price is good it needs to be a lot higher due to inflation. A few years ago the current base price would have been great, however now it's what is needed to just about get by."

"A lot of uncertainty surrounding environmental legislation. The cost of inputs have come down but are still high. This environment leads to low morale and the necessary confidence required to invest in the enterprise."

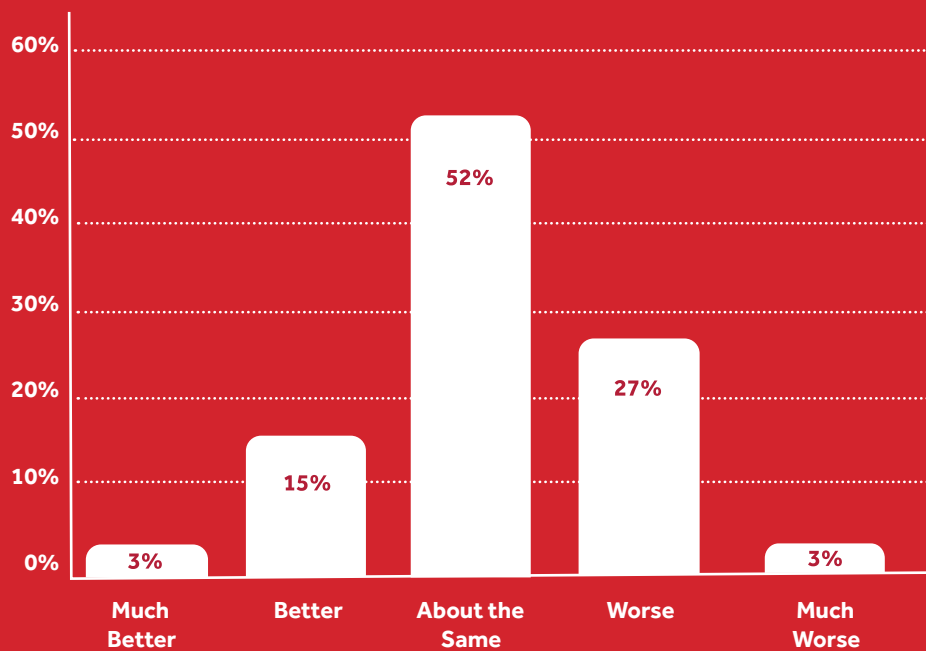
"Prices for meat, milk and grain are simply too low in relation to input costs."



THE FARMERS' PERSPECTIVE THE STATE OF THE MARKET IN 2024

Q. How has your farming enterprise performed so far this year compared to 2023?

52% of respondents felt that their business performed on par with last year. This is an increase on 48% in 2023.



"About the same but improving as the year progresses due to better milk prices."

"Poor weather, reduced milk yield, lower milk price and inflation are all having a serious impact this year."

"In 2023 farmers possibly put aside a rainy day fund from 2022 to cushion the blow from falling milk prices and rising input. That luxury is not there in 2024. Weather conditions on top of that have really dented any hope of improvement for the remainder of the year."

"Poor grass growth all year after the terrible late spring."

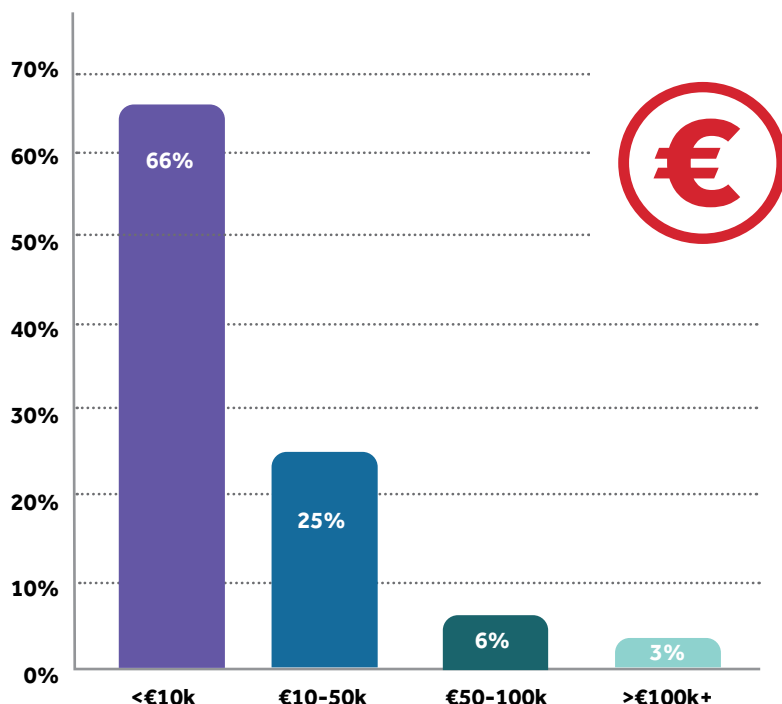
"2023 was a very difficult for farming and 2024 is lining up to be similar."

THE FARMERS' PERSPECTIVE THE STATE OF THE MARKET IN 2024

Q. In terms of Investment in Machinery, what have you spent or are you planning to spend this year?

The vast majority, 66% of respondents, have spent or plan to spend less than €10k.

Farmers are cautious about committing to purchasing machinery in the current market conditions.



"No purchases this year, just maintenance as cannot afford machinery investments."

"High prices of machinery coupled with poor milk price will probably result in next to no machinery purchase this year. Make do with what we have and make more use of contractors."

"Necessary maintenance only. Had planned on buying diet feeder and upgrading a tractor but both parked due to milk price and conditions."



THE FARMERS' PERSPECTIVE FACTORS AFFECTING THE AGRI SECTOR

With ongoing factors affecting the market, the Agricultural Industry has had to be even more resilient, adapting to the challenges of 2024.

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 2024?

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

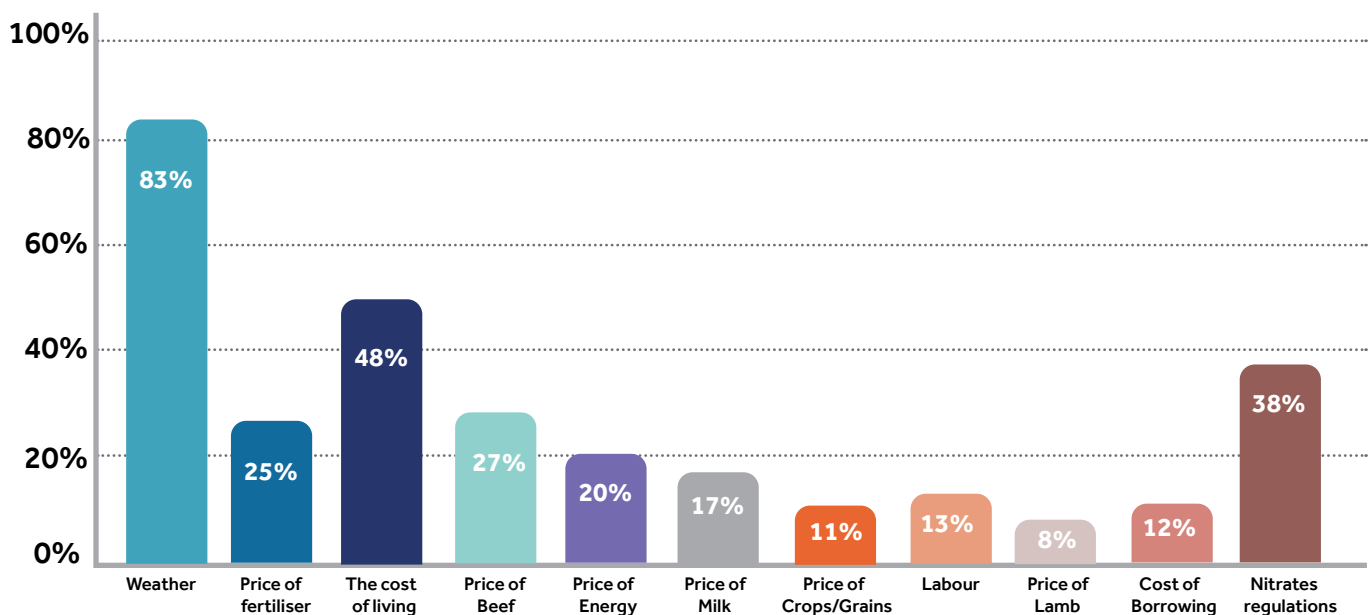
- The weather (83%)
- The cost of living (48%)
- Nitrates regulations (38%)



"Weather is always the biggest issue for farmers."

"Cost of everything is gone to the point of not been feasible."

"Nitrates unfairly penalising higher yielding cows which are the most carbon efficient cows."



THE FARMERS' PERSPECTIVE

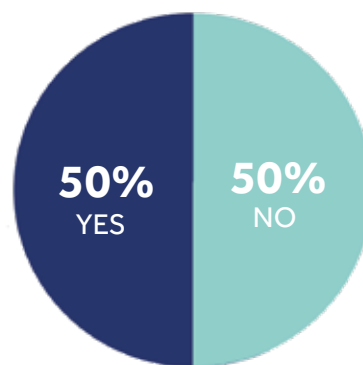
ENVIRONMENTAL, POLITICAL, AND TECHNICAL INFLUENCES

Throughout 2024, Legislation changes, environmental issues and Nitrates Regulations have affected the sector.

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

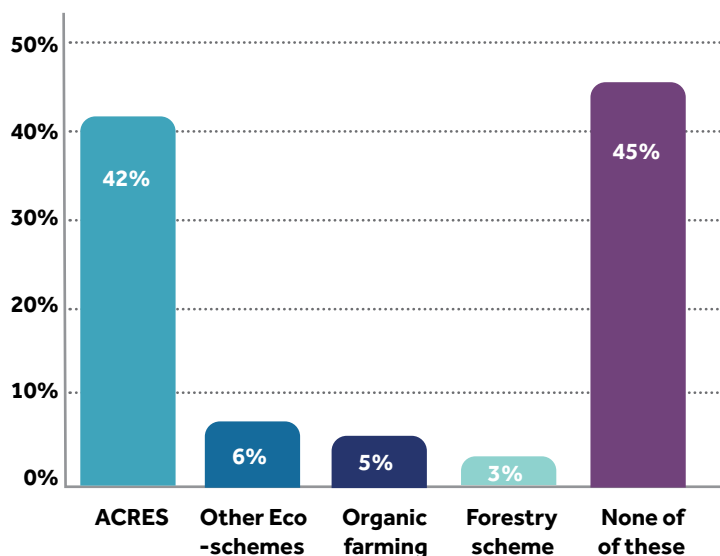
Q. In 2024, has your farm been impacted by any Legislation changes?

There was an even response to this question - with 50% being affected by legislation changes while 50% had not been affected.



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

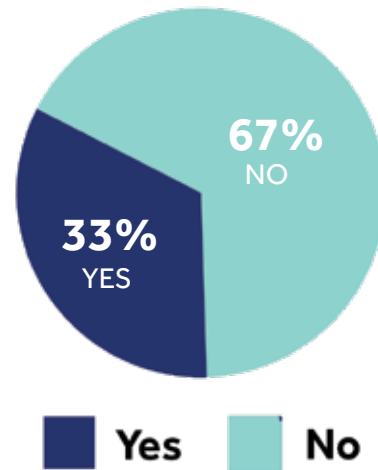
Interestingly, the majority of respondents (45%) had not joined any of these particular schemes, however 42% had joined ACRES.



" Farmers care for the environment as it's generally the main source of their income, however changing rules over the years have disillusioned farmers to the point that many are scaling back their enterprise or just exiting the sector. **"**

THE FARMERS' PERSPECTIVE**ENVIRONMENTAL, POLITICAL, AND TECHNICAL INFLUENCES****Q. Have you been affected by Nitrates Regulations /Derogation this year?**

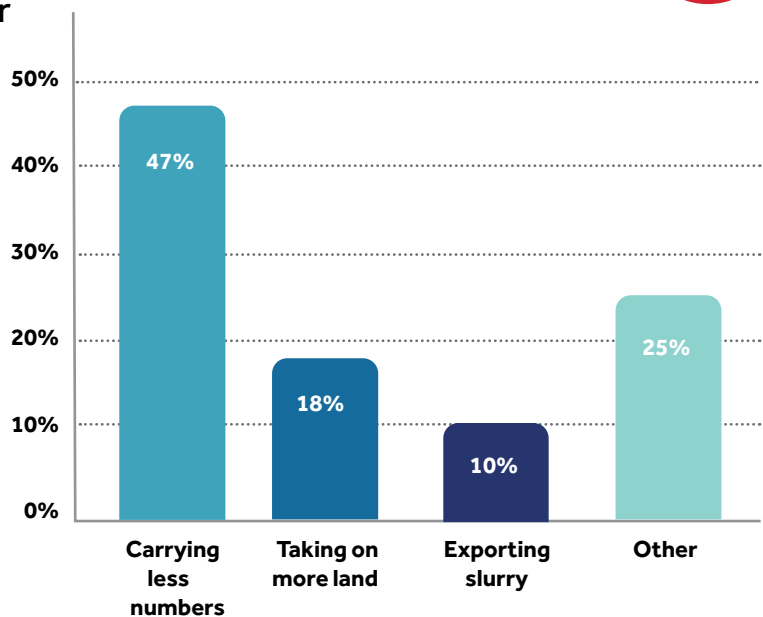
While the majority have not been affected, a significant number (730) of respondents stated they had been affected by the change in Nitrates regulations this year. Below we investigate how they are dealing with this new challenge.

**Q. If so, how are you dealing with this?**

The majority of respondents plan to cut their livestock number in order to remain compliant with Nitrates. However, many farmers are investigating ways to sustain production by renting/leasing more land and/or exporting slurry.



“ I export slurry to a tillage farmer. Not sure why slurry from band 3 farms has the same N as slurry from band 1 farms, especially when this dictates stock numbers. **”**



THE FARMERS' PERSPECTIVE

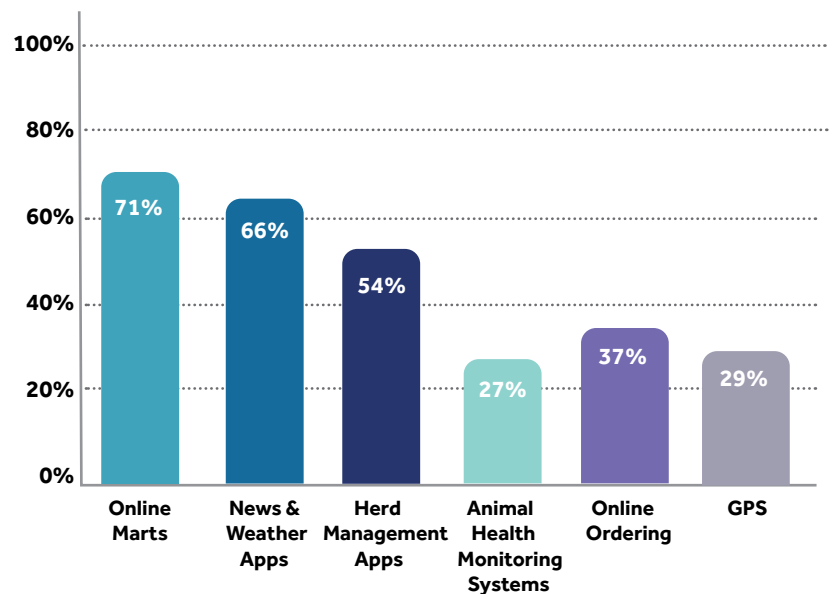
ENVIRONMENTAL, POLITICAL, AND TECHNICAL INFLUENCES

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



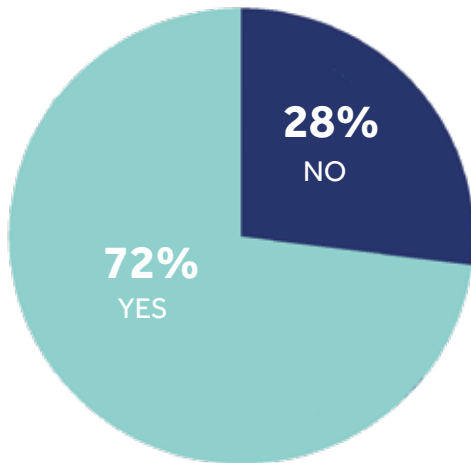
All these technologies are indicative of the way farmers are embracing modern technologies from a labour saving and efficiency perspective.

“Big developments in technology and new devices means a lot less labour and has better accuracy and output.”

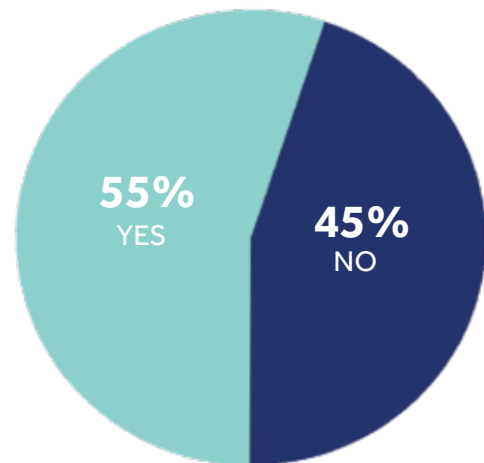


THE FARMERS' PERSPECTIVE**ENVIRONMENTAL, POLITICAL, AND TECHNICAL INFLUENCES****Q. Have you made a farm purchase online this year?**

The vast majority of respondents have made a farm purchase online in the past year. This answer highlights the growing move to conducting farm business online-which can be more efficient for time-poor farmers, especially those working off-farm.

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

55% of respondents stated they had made a mart transaction online. This is an increase on 36% last year. However as seen on *page 14*, 71% of respondents considered 'Online Mart Apps' to be the most used technology. This would suggest that more farmers are using this technology as a way of keeping up with the trade rather than solely for transactional purposes.



THE FARMERS' PERSPECTIVE

ENVIRONMENTAL, POLITICAL, AND TECHNICAL INFLUENCES

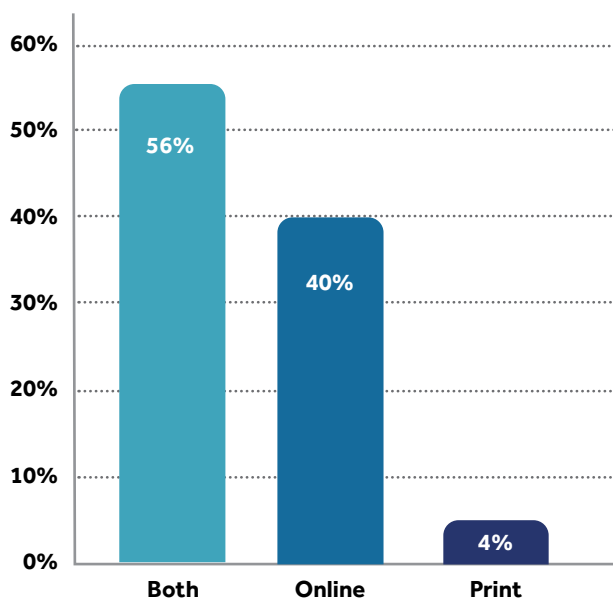
We asked farmers how they stay up to date and informed within the Agricultural Industry.

Read up on our findings...

Q. Where do you get your farming news?

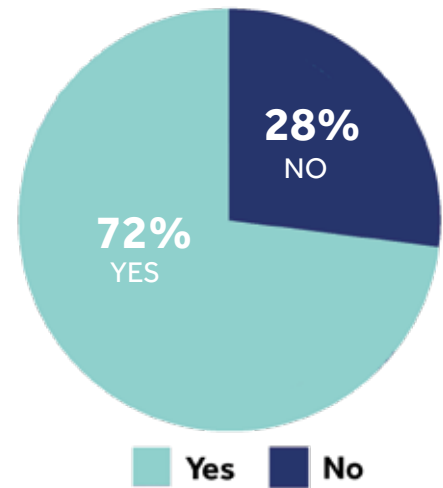
The popularity of accessing farming news online is evident in this answer with 40% of respondents highlighting this as their preference. This is an interesting observation as 66% of all respondents to this survey are 45+.

However, the vast majority choose to get their news from a combination of both print and online sources, (56%) responding this way.

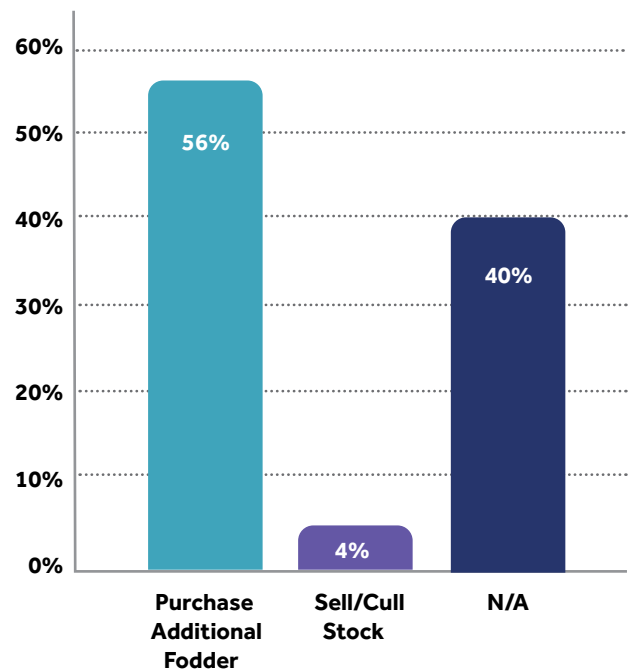


THE FARMERS' PERSPECTIVE LOOKING AHEAD**Q. Have you sufficient fodder made or to be made in the coming months for this winter?**

While the majority have sufficient fodder made for the upcoming Winter, a significant proportion (28%) have not, due to poor growing conditions over the spring and summer of 2024. We investigate below the impact this will have.

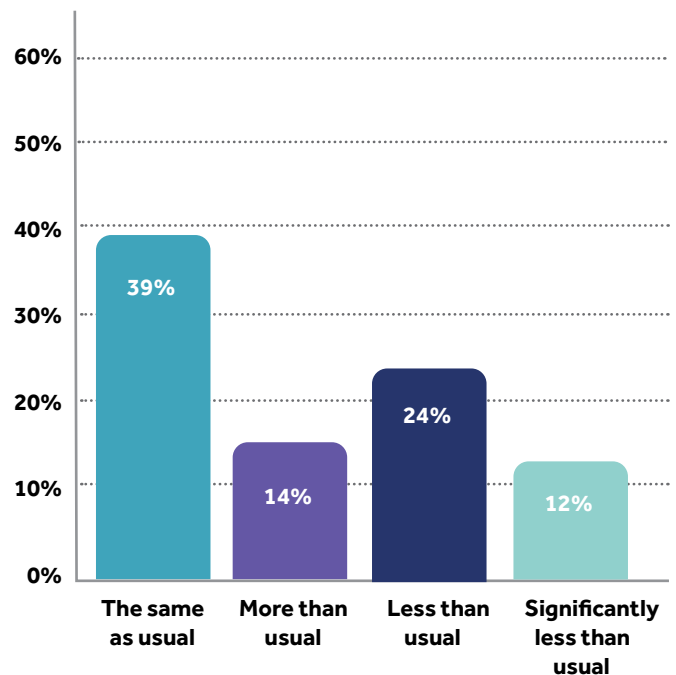
**Q. If no, what are you planning to do?**

56% of respondents have stated that they will need to purchase additional fodder for the Winter. This indicates that feed will be both scarce and expensive, potentially leading to issues if we do not get a late Autumn or early Spring.

**Q. In terms of Artificial Fertiliser spread so far in 2024, have you spread?**

The majority of respondents (39%) have spread the same amount of fertiliser as any other year.

However, 36% of all respondents have spread less or significantly less than usual. Perhaps the results seen in the previous two questions are a consequence of this.



THE FARMERS' PERSPECTIVE LOOKING AHEAD

Q. How do you rate the future for the *Irish Farming Sector* in 2025?

(0 being terrible, 10 being excellent)

60% of respondents rated the market between 5 and 7 with the average being 5/10. This is the same rating as 2023 suggesting that those surveyed don't see things getting any easier but do not see things getting any worse.

5 / 10

"I have a successor and to be honest I feel he is entering farming at a terrible time and I am not encouraging him."

"Like every other enterprise it is unknown however I think 2025 will be tough for farmers as fodder and straw will be scarce and with that comes more expense."

"Regulations, weather and prices are all going against farming and making it harder to stay involved."

"Farming is needed either way, people need food so they need farmers."

"Prices will remain good, but expenses will be high also."

"Farming is always going to be challenging, that is why we keep going. We seem to find away around these challenges no matter how difficult it can be."

FARMERS' SUMMARY

Overall, the farmers surveyed felt that 2024 had been another tough year - faced with many challenges, as with every year, but there was some hope due to better prices for Milk, Beef & Grain than 2023.

Weather:

It was widely remarked on throughout the survey that the weather had the biggest affect on farmers during 2024. A long Winter, followed by a wet Spring and a very mixed Summer, depending on where in the country you were located, led to very poor growing conditions countrywide. Grass & grazing conditions, silage yields and tillage crops were all affected to an extent, which put pressure on every sector in every season. Thankfully, a dry September has allowed farmers to take a second or third cut of silage, along with providing good conditions for grain harvesting and other field work; spreading slurry, muck, lime and tilling for winter crops.

Cost of Living:

The ever increasing cost of living - farming inputs, energy costs, household bills have all contributed to this issue being forefront in farmers' concerns this year. Although output prices have improved since 2023, profit margins are still being squeezed by the persistent high costs farmers face in maintaining and growing their enterprises, from large-scale operations to small-holdings.

Nitrates Regulations:

This year, the Nitrates Regulations have surfaced, adding to farmers' concerns throughout 2024. The three-tier banding of Dairy Herds, determined the N figure cow/year, left a lot of respondents wondering where best to position themselves going forward. Limits on P fertiliser as regulated by the new Fertiliser Register, also caused some confusion for all sizes of farms, with regard to what artificial fertiliser they were permitted to spread.

Fodder Situation:

As seen in the survey results, the cost and availability of fodder could cause issues going into the upcoming Winter and Spring of 2025. Poor growth rates combined with 36% of respondents spreading less fertiliser, resulted in a reduced quantity of silage and little to no hay saved across the Summer. The glimmer of hope is the Indian Summer that much of the country experienced in September, which is expected to extend the grazing season and allow for additional forage to be secured.

General Comments:

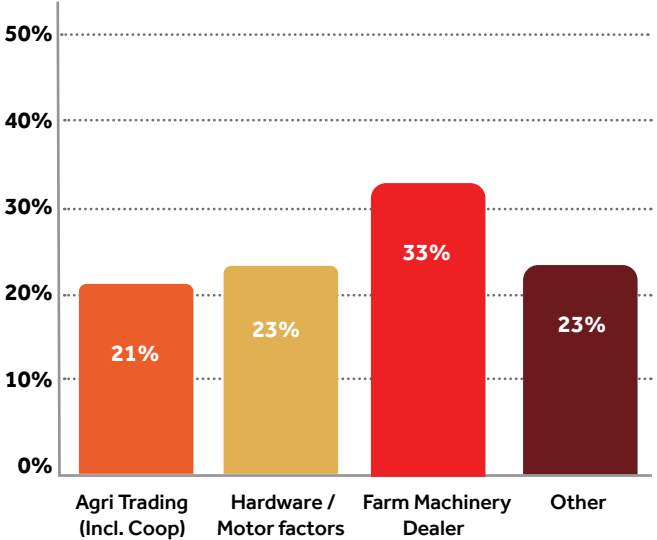
Overall, the majority of farmers rated their business performance on par with 2023, giving it a 5 out of 10. This same score was projected for 2025, indicating a moderate level of optimism for the agricultural sector in the coming year. However the vast majority of farmers, going by the comments, intend to maintain output, remain optimistic and face the challenges presented head on, as they have always done.

THE DEALERS' PERSPECTIVE

BACKGROUND OF RESPONDENTS

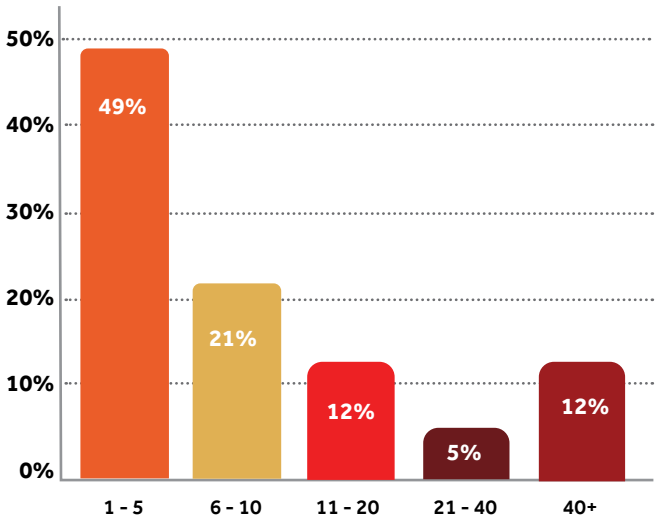
Q. How would you describe your business?

The majority of respondents, 33%, described themselves as Farm Machinery Dealers.



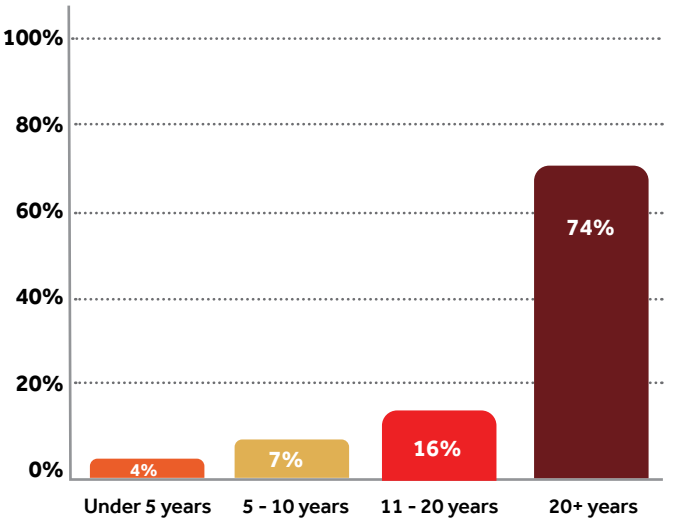
Q. How many people are employed by your business?

Most businesses (49%) had between 1 and 5 members of staff on their team. The next highest cohort between 6-10 employees accounted for 21%.



Q. How long has your business been trading for?

A huge proportion of those surveyed, 74%, stated they had been in business for over 20 years.



THE DEALERS' PERSPECTIVE THE STATE OF THE MARKET IN 2024

Q. What number would you use to rate the *Irish Agricultural Marketplace in 2024* out of 10?

(0 being terrible, 10 being excellent)

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

69% of respondents rated the market between 5 and 7, with the average rating being 6 out of 10. Interestingly, 21% rated the market above 8. This indicates more optimism than previous years.

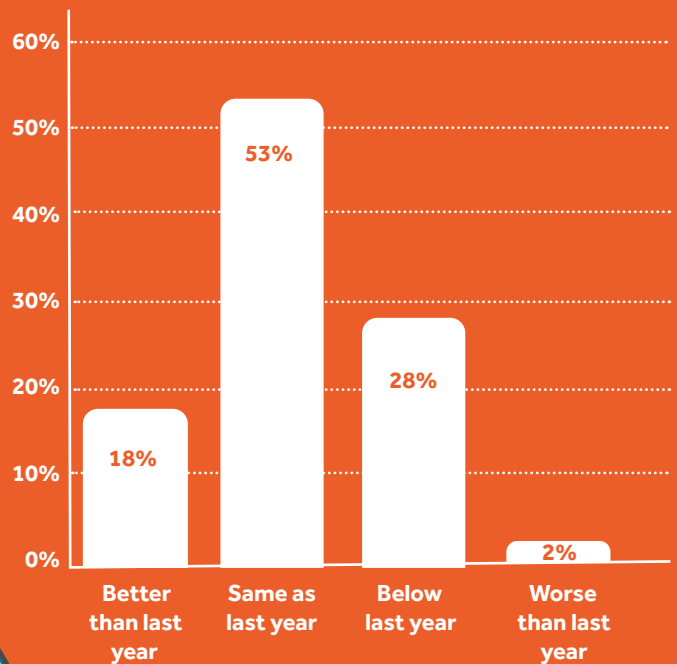


6/10

Q. How has your business performed in 2024 compared to 2023?

53% stated that they had seen the same performance this year.

However an encouraging 18% of dealers said that they had a better year in 2024 than 2023.

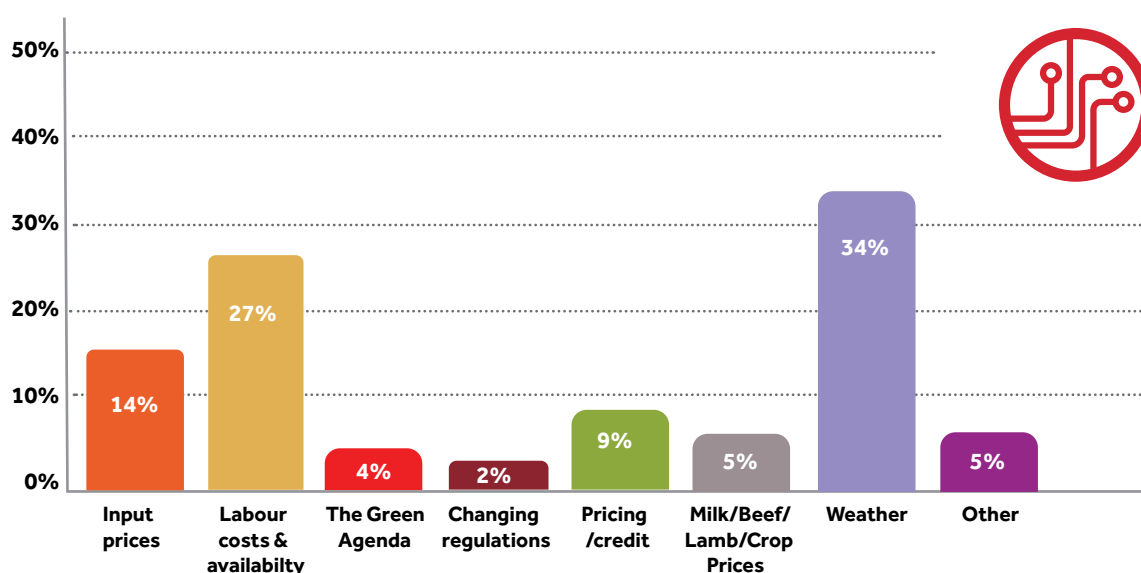


THE DEALERS' PERSPECTIVE THE STATE OF THE MARKET IN 2024

Q. Which of the following factors have affected your business the most in 2024?

We asked customers to pick the top three factors that affected their business out of the options below. Overall, the three biggest factors affecting our dealers this year were:

- The weather (34%)
- Labour costs & availability (27%)
- Input prices (14%)



"I can't compete with wages like someone might get in the building sector."

"Weather was a huge factor this year as bad weather in the autumn meant that winter crops could not be sown, bad weather in the spring meant the spring crops were sown late, and although there have not been many extended dry periods, the summer has been very dry and crops and grass have struggled as a result."

"The cost of machinery and parts are way too high, farm income cannot sustain the high cost of all inputs now, the margin isn't in it."

THE DEALERS' PERSPECTIVE

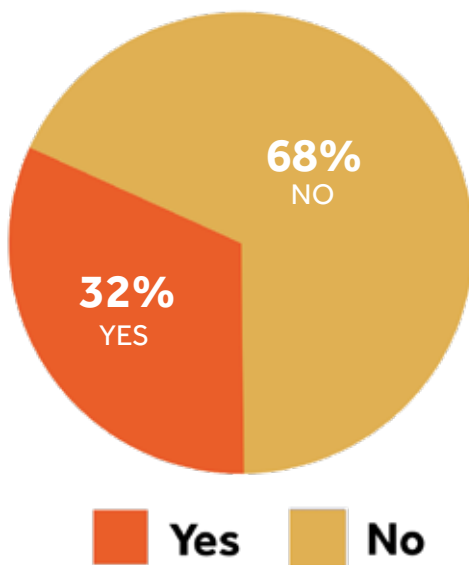
ENVIRONMENTAL, POLITICAL, AND TECHNICAL INFLUENCES

In previous years, legislation, Brexit and a number of other factors have affected the sector.

Here we will look at how much impact they have had in 2024.

Q. In 2024, was your business impacted by any legislation changes?

Over 2 out of 3 people replied that they had not been affected.

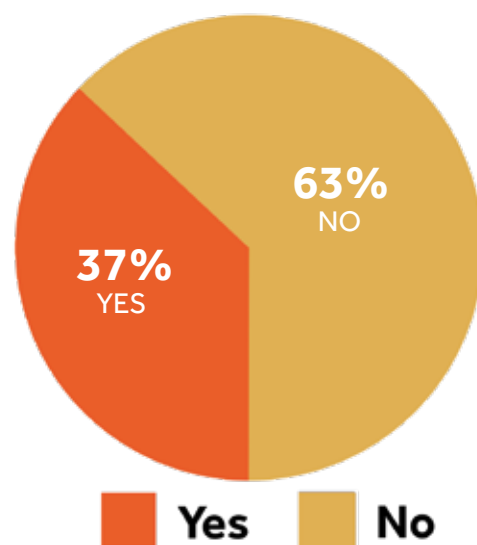


"Regulation is killing the farmers there just getting kicked from the EU legislation and Climate regulations."

Q. Has the Green Agenda affected your business plan in 2024?

As with the previous question, the majority of respondents (63%) said the Green Agenda had no impact.

Nevertheless, 37% said it had affected them. While the Green Agenda is not as hot a topic as previous years, it is evident from the feedback that it still remains an issue for some.

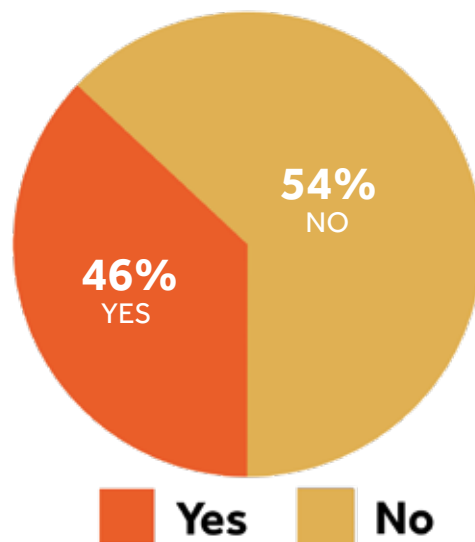


THE DEALERS' PERSPECTIVE LOOKING AHEAD

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

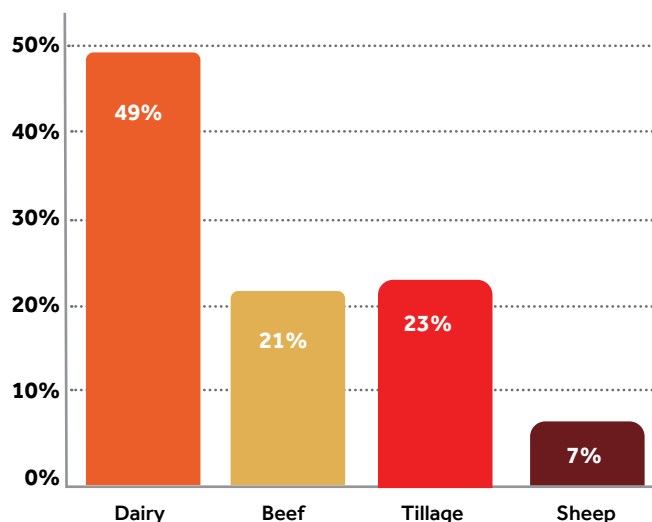
This was a fairly even split, with 54% responding that there were not planning on investing in technology versus 46% who were.

The responses for this question mirror last year's results which would indicate that there is no greater confidence in the sector from our customers perspective.



Q. Thinking about the farming sector, which farm sector are you feeling most confident about for 2025?

Unsurprisingly, respondents felt most confident about Dairy farming going into 2025.



THE DEALERS' PERSPECTIVE LOOKING AHEAD**Q. What number would you use to rate the outlook for *Your Business* in 2025?**

(0 being terrible, 10 being excellent)

63% of respondents rated the outlook for their business between 6 and 8 with the average rating being 7 out of 10. This rating is more optimistic than last year's survey results (6 out of 10).

"We are trying to push on, and have affordable items for the average farmer, without breaking the bank, we have to stay positive and hope it will get better throughout the sector."

7 / 10

Q. What number would you use to rate the outlook for the *Irish Farming Sector* in 2025?

(0 being terrible, 10 being excellent)

71% rated the Irish farming sector between 5 and 7 with the average rating being a 6 out of 10. This is a point higher than last years rating, suggesting that customers predict next year will be more positive.

"Farming is needed either way, people need food so they need farmers"

"Weather and price dictates the future."

6 / 10

DEALERS' SUMMARY

Similar to previous years, dealers expressed a more positive view of the past year, with an average rating of 6/10, and are more optimistic about their business outlook for 2025, scoring it 7/10. In contrast, farmers rated both the current year and next year's outlook at 5/10.

Labour Costs & Availability:

A topic high on the minds of our customers were the issue of labour shortages and the costs of hiring and keeping staff. Agriculture has traditionally struggled to compete with other higher paying industries such as construction, especially in times of prosperity and low unemployment rates (4.3% August 2024).

Input Prices:

The ever increasing cost of new machinery and genuine parts is another factor which is troubling our Machinery Dealer customers this year. Manufacturers keep increasing their prices which does not tally with what their end users (farmers and contractors) are getting for goods and services. The appreciating value of second-hand tractors and machinery has kept the cost of trading up comparable to previous years, though the overall figures are significantly higher than they were five years ago.

Weather:

The poor weather of 2024 has indeed had an impact on our customers. Farmers were under pressure to keep feed in front of cattle which led to less money available for spending on machinery. The farmers' survey revealed that 66% of respondents plan to spend less than €10k on machinery, which could lead to increased demand for parts as farmers focus on maintaining and servicing older equipment to ensure reliability and productivity.

Taking into account all of the above, the year has been a fair to good one for our customers, as reflected by 71% of respondents indicating that the year was either the same as or better than 2023. Farmers, despite the challenges presented, will still spend money on making their operations more efficient and our dealers benefitted from this throughout the year.



**A CLOSER LOOK AT
THE YEAR: 2024**

**Expert market analysis in a
time of change and uncertainty**

A CLOSER LOOK AT 2024: THE FARMING YEAR

Expert market analysis during an evolutionary time in Irish agriculture.

FOCUS GROUP DISCUSSES; THE IRISH FARMING YEAR

In the wake of our Summer surveys with farmers and dealers, the Knowledge Report sought the views of our expert focus group, who met in a face-to-face setting on September 10th, 2024. During a 90-minute discussion, facilitated by our independent moderator, several of the main trends of the agricultural year were raised and commented on in great detail.

This group included representatives of the Farm Tractor & Machinery Traders Association (FTMTA), the Agri media, a bank finance specialist, a dairy farmer, a Farm Contractors Ireland (FCI) representative along with a machinery importer and distributor.

This year's expert group discussed:

- * **The state of the market in 2024**
- * **The dominant issues in the Irish Agricultural Sector**
- * **What lies ahead; 2025 and beyond**



THE STATE OF THE MARKET IN 2024: KEY CHALLENGES

The time-honoured level of resilience within Irish farming, in the wake of two difficult Springs and equally poor Summers, didn't unanimously chime within the focus group.

While one expert commented: "Farmers, in spite of the many obstacles they face, remain resilient," another stated: "I wonder just how much resilience there is in farming right now. Many of them are not making money at the moment. But it's just part of the cycle. They will make money again."

The increase in farm machinery prices, in addition to the ongoing and widespread confusion over the future of Derogation in Ireland and other nitrates-related issues, indicated that marketplace confidence had not improved on the sentiment expressed in our 2023 report. Concerns over the future of the tillage sector and its practitioners were also expressed ("They are, justifiably, not in a good place.").

While milk and grain prices, in historical terms at the very least, remained high and with the beef price still strong, the increase in costs on farms "has skyrocketed", significantly driving down margins. On the financial front, Summer 2024 indicated some improvement for farmers, with deposit rates higher than they were for the same period in 2023. The negativity about the industry in mainstream media, the ongoing problem of farm succession (and its potential implications for rural Ireland) and the hyper-focus on the dairy sector, were also commented upon.

"Confidence on the Irish farm has reached an all-time low in recent years," one of our experts declared. "Why? Firstly, because there's either no profitability or low profitability. Secondly, there's no clarity around the future direction of the industry due in no small part to the nitrates issue. And thirdly, the beleaguered tillage farmer doesn't know whether they will have the land, access to the land or the future land price which could guarantee a level of income."

THE FARMING YEAR'S BIGGEST FACTORS

Weather

While early indications on Winter Barley yields looked promising (the harvest was ongoing when our focus group met), another poor Spring and damp Summer - had negative implications for all farming sectors especially regarding grass growth and silage yields. "The Spring was very challenging for everyone. It's just been a very poor year." As always, in the wake of a poor year's weather – well, two successive years of difficult growing, cutting and harvesting conditions – the group hopes that conditions in 2025 shall prove kinder.



Machinery

The price of farm machinery "has gone out of control" as one of our experts described it. "It's absolutely insane." While operational costs haven't significantly increased, machinery overheads have doubled while depreciation has more than doubled, according to our experts. Data released by the FTMTA in July revealed a 11% decline in new tractor registrations for the first seven months of the year when compared to the same timeframe in 2023, while registrations in July alone were 13% lower than the corresponding month in the previous year. While fresh tractors and combine harvesters are, in many instances, appreciating in value, machinery, including the most up-to-date seed drill, may well require a new tractor to pull them to maximise its output. New drills and diet feeders come with significant depreciation levels.



Tillage

The current status and future of the tillage industry was heavily discussed by our experts in comparison to the time devoted to the traditional hot topics of the dairy and beef sectors. As a largely carbon neutral practice, one of our experts expressed confidence that the next Irish government will provide an enhanced level of support which will persuade many farmers to remain committed to tillage. However, how deep that support will extend to remains to be seen given the comment of another expert: "The full-time option is not there for many in tillage. It's simply not economical to be full-time." Greater advocacy for tillage farmers from the country's main farm representative groups was also suggested.



Nitrates Derogation

Confusion remains pervasive throughout farming when it comes to the future surrounding the Nitrates Derogation. "There's too much confusion out there," said one of our experts. "From fertiliser to stocking issues, many farmers don't know what to do anymore. Another expert opined: Given what may be coming due to further changes in derogation, farmers are playing a total guessing game when it comes to their stocking levels. What should they do? Should they dry off cows? Should they get rid of them? Should they keep them? Everything leads back to nitrates regulations and the confusion around them." Farmers have reached a stage where they are reluctant to use fertiliser. Their confusion needs to be addressed by whoever receives the Department of Agriculture's seal of office in the coming months.



Succession

The uncertainty, catalysed by the ongoing derogation cloud, farmers are trying to wade through may explain why so many respondents have not finalised their succession arrangements, according to one of our experts.

"Many farmers don't have a succession plan because they're not really sure where the farm is going to be at that stage; they're not sure what they want in the future and may not wish an uncertain future on their children."

Another expert foresaw a fundamental change in the offing. "Older farmers with several children will do one of two things: they'll eventually identify one of their children whom they feel stands the best chance of continuing to farm and keeping the land in the family. The other likelihood? That farmer dies without making a will and the land gets split three or four ways afterwards. Farms are getting split. This is happening already."

The underlying message connecting all five factors? Uncertainty. And while no Government can account for the weather, confidence building measures across the four remaining factors are within its control - to varying degrees.



2025: WHAT LIES AHEAD

The Original Equipment Manufacturing (OEM) sector is forecasting a reduction in 2025 of somewhere between 10% and 30%, our focus group discussion was told.

The reduction in the sector during 2024 was in the region of 20% "and generally speaking I think it's going to be flat next year...It may be Q1 in 2026 before we probably see any improvements." Another industry expert on our group stated: "We're looking at more of the same. Weather impacts on everything and that's something we can't predict, but taking everything else as it is now, we may even see a further drop in the farm machinery business in terms of its value. The uncertainty across farms remains a significant issue."

That outlook was refrained from across the table, with some added caveats. "Most people are expecting 2025 to be flat and challenging after a year which turned out to be rougher than many of us had expected. Looking ahead, we'll be wondering about how the value of second-hand equipment will hold up – there's a risk factor there. Secondly, what's going to happen with interest rates and how will they move - that could also impact on sentiment."

"People in our industry will tell you that when the sun is out, farmers spend but there's been very little sunshine in 2024."

"Given with what may be coming due to further changes in derogation, farmers are playing a total guessing game when it comes to their stocking levels."

"At the moment, all the dealerships in the country are very heavily stocked with machinery."

"Machinery operational costs haven't increased significantly, but the average depreciation cost has gone from €4,000 up to €9,000 so that's more than doubled."

The ongoing conflict in the Middle East, the Russian invasion of Ukraine and the upcoming presidential election in the US, Trump vs Harris, all impact Agriculture on a global level. But the most important thing from a local point of view will, once again be the weather and if we get the weather, I think we'll do quite well." Derogation was labelled "the single biggest issue for next year" by another expert. "If there is another change there, given the impact it would have on the industry, makes it the be-all and end-all."

Output prices and yield "will be as good as 2024 – or better, as costs will probably come back," said another member of our roundtable discussion.

"Our outlook, which of course is always subject to change, suggests that profitability will be better in 2025 than it was in 2024 but that largely depends on weather, because on-farm costs this year have been so heavily influenced by the weather. Outputs were also negatively impacted due to the weather so yields of grass, milk and corn were all significantly back. So if things resume to a normalised level, 2025 should be better in terms of output, costs ought to fall so profit margin should go up. Hopefully we'll have a better '25 than '24 because we really need it."



SUMMARY

Ultimately, this year's findings did not prove too dissimilar from the 2023 report, with the combined 5.5/10 outlook of farmers and dealers - when asked about the industry's prospects for 2025 – representing a slight increase on last year's sentiment.

The poor weather endured throughout the Spring once again proved a source of deep frustration to farmers and growers across the country. Reduced yields, poor grass growth and poor livestock performance combined with ongoing input cost increases led to lower profit margins.

But the ongoing question marks over the future of the Nitrates Regulations is proving even more frustrating for farmers who, in many cases, simply don't know what they're permitted to do, according to members of our expert focus group.

Spring Barley yields, on the back of a relatively dry Summer, have emerged as the "unlikely saviour" of Harvest 2024 according to County Meath farmer Gerard Potterton (source: Irish Farmers Journal, September 11th, 2024) and provided some welcome impetus for the tillage sector towards the end of what remained a very difficult year. This carbon-light sector's future, as suggested during our focus group discussion, is likely to depend on large scale holdings.

Expenditure in new farm machinery, as previously projected by industry experts, didn't reach 2023 levels, with a 21% reduction in new tractor sales recorded in August alone when compared to the corresponding month in 2023 (source: FTMTA).

But with farm deposit accounts remaining healthy and as farmers consider more sustainable options, future on-farm investment, while projected to be flat in 2025 will remain necessary.

Succession remains an unresolved matter for over half the survey's respondents and with 40% of all Irish farmers currently aged 60 or over, it's an issue that will become more pressing over the next decade.

A photograph of a man and a young boy standing outdoors in a grassy field. The man, on the left, has a beard and is wearing a yellow and white plaid shirt over a white t-shirt and blue jeans. He is smiling and has his arm around the boy's shoulder. The boy, on the right, is wearing a green and white plaid shirt over a white t-shirt and is also smiling. The background is a soft-focus green field with some trees in the distance.

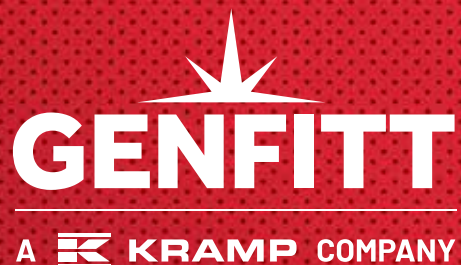
FINAL WORD

We hope that you have found our 2024 Knowledge Report helpful and reflective of where Irish farming currently stands, thanks to the input of professionals drawn from across the industry.

Many thanks to all the farmers, Genfitt customers, trade representatives, farm bodies/organisations and expert commentators for their input and insight which assisted in the compilation of this report.

As always in farming, we emerge from a challenging year retaining the hope that the year ahead will bring greater levels of prosperity and wellbeing to all those who make Irish agriculture such a great social, industrial and economic driver.

**Ní neart go cur le chéile
(There is strength in unity).**



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

marketing.ie@kramp.com +353 (0) 94 938 1377



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AT YOUR SERVICE**