



For the life  
you're after



# Agri Matters

Autumn 2025



# Welcome to our Autumn 2025 Edition of Agri Matters



**Dónal Walsh**  
Chief Editor

The rhythm of farming may be tied to the seasons, but the pace of change in our industry seems to be quickening. In the space of a few months, we've seen significant policy proposals from the EU, trade talks edging closer to a deal, and environmental regulations under renewed scrutiny – all while navigating the usual balance of weather, markets and margins.

The EU's proposal to reduce the CAP budget caught many by surprise, Mercosur negotiations are edging closer towards the finish line, and our Nitrates Derogation is once again under intense debate. The waters are far from calm – yet for now, reasonable output prices and a stretch of favourable weather have offered a relative calm.

In this edition, Minister for Agriculture, Food and the Marine, Martin Heydon shares his ambitions and underlines the significance of Ireland's 2026 EU Council Presidency. AIB's Head of Agriculture, Donal Whelton, reflects on the past eight months and offers his outlook for the months ahead. We're also pleased to include a welcome message from our CEO, Colin Hunt, who will be joining us at this year's National Ploughing Championships. Teagasc's Siobhan Kavanagh updates on the progress and success of the Teagasc Signpost Programme, Diarmuid Donnellan, AIB's Head of Sustainability for Agriculture discusses the power of solar for farmers, AIB Agri Advisor Nicola Fetherstone highlights the work of Dairy Women Ireland and we also have a review of the Irish Grassland Association Dairy Summer Tour. Daniel Noonan rounds things off with his ever-insightful economic update.

At AIB, our commitment to supporting farmers remains as strong as ever. We know that no two farms are the same and whether it's financing a new investment or bridging a short-term cash flow gap, we're here for you.

We hope you enjoy this edition of Agri Matters and we look forward to catching up at this year's National Ploughing Championships.

## Message from Colin Hunt, CEO of AIB

Agriculture has always held a special place in Irish life, and at AIB we are proud to stand alongside farmers and agri-businesses as partners in building strong, sustainable futures. The sector is not just vital to our economy, but also to our communities, and we remain deeply committed to supporting farm families as they adapt to new challenges and opportunities in a changing world.

I am really looking forward to this year's National Ploughing Championships, which is always a highlight of the farming calendar. It's a chance to meet with customers from every corner of the country, to listen, to learn, and to celebrate the resilience and innovation that define Irish Agriculture. At AIB, we value that partnership greatly, and we will continue to work with you to support the growth and success of this vital sector.



**Colin Hunt**  
Chief Executive Officer of AIB Group

# Martin Heydon T.D., Minister for Agriculture, Food and the Marine

## Looking forward to Ireland's 2026 EU Presidency role



**Martin Heydon**  
Minister for Agriculture, Food  
and the Marine

Since my appointment as Minister for Agriculture, Food and the Marine in January this year, preparing for Ireland's 2026 Presidency of the Council of the European Union has been a core priority for me.

For six-months next year, from July to December, as Presidency, Ireland will chair Council meetings across all EU policy areas and represent the Council in negotiations with the European Parliament and European Commission.

While it is a leadership role, it is also a listening role, where Ireland will work to build consensus and deliver results for Europe. This will be Ireland's eighth time holding the Presidency of the Council since joining the European Union in 1973. In previous Presidencies, Ireland has earned a reputation for fairness, pragmatism and effective consensus building, which are qualities we will bring again in 2026.

### Ireland's membership of the EU

Over the past fifty plus years, Ireland's membership of the EU has transformed our country, and our agri-food sector in particular. The Single Market has enabled our farmers and agri-food businesses to export their goods freely across the continent. Ireland has also benefitted greatly from European Free Trade Agreements in opening up opportunities for international trade. Our reputation for exceptional, high-quality food and drink products now extends far beyond our own borders.

Our Presidency of the Council falls at a critical and defining moment for Irish and European agriculture and I am determined that we bring Irish leadership, experience, and pragmatism to the EU agenda at a time of great change and opportunity for the sector.

### Common Agricultural Policy

One of the most significant aspects of our EU membership is the Common Agricultural Policy (CAP). We all know the essential role that the CAP has played in shaping our farming and rural communities. The CAP has been the backbone - supporting our agricultural sector, providing financial support, fostering innovation, and ensuring more sustainable farming practices. Through the CAP, we have been able to invest in our farming communities, modernise agriculture and support our climate and environmental objectives. The CAP has been instrumental in supporting a fair standard of living for our farmers, and critically, in maintaining food security for Europe.

Looking ahead to our Presidency in 2026, the future of the CAP will be one of the defining issues for Ireland's Presidency. The European Commission has now published its proposal for the post-2027 CAP, alongside the Multiannual Financial Framework (2028 – 2034) which is the EU's long-term budget and sets the funding provisions for the CAP. Together, the outcome of these negotiations will shape how Europe balances food security, generational renewal, global competitiveness, environmental sustainability and rural vitality in the years ahead.

During our Presidency, I will act as an honest broker as chair of the 'AgriFish' Council of Ministers, building consensus and working towards a balanced outcome that supports farmers, helps ensure food security, protects rural communities, delivers for the environment and keeps Europe's agri-food sector globally competitive. The CAP must continue to provide certainty and stability for farmers, enabling them to plan effectively for the future.

### Seafood Sector

Key to Ireland's Presidency priorities for the seafood sector will be leading Council negotiations on setting total allowable catches (TAC) and Quota in December AgriFish Council. Here we will look to negotiate a balanced outcome that reflects Ireland's position as an honest broker and neutral President, while seeking to secure the best possible quota outcome for Ireland's fishermen and women.

Ireland's seafood sector has faced significant challenges in recent years, and yet, as a sector it has repeatedly demonstrated its resilience and determination to pursue opportunities through innovation and diversification. The Common Fisheries Policy (CFP) must continue to support the sustainable development of the EU's seafood sector.

In that regard, together with Minister of State Timmy Dooley T.D. who has special responsibility for fisheries matters, our Presidency will work to ensure that in a changed fisheries environment, that we can adapt to and meet future challenges, while ensuring the sustainable development of the sector.

By the time Ireland commences its term as Presidency, it is also likely that the European Commission's report on its evaluation of the CFP will be published. In the context of a changed fisheries landscape, this will provide an opportunity for Ireland to initiate discussions across the Member States on the next steps for Europe's Common Fisheries Policy.

## Preparation

In preparation, my Department and I have been engaging extensively with stakeholders at home and across Europe. We want to work closely with farming and fishing organisations, rural and coastal communities, environmental stakeholders, and across the whole of Government to ensure that we deliver an impactful Presidency.

At EU level, engagement with the European Commission, European Parliament, and other Member States is well underway, to ensure we can further our relationships and develop a clear understanding of everyone's priorities before we take the chair. These preparations are critical to ensure that we can hit the ground running and act decisively from the outset of our Presidency.

By leading with integrity and taking a pragmatic approach, and through listening to all the voices around the table, we will work to build consensus, advance key EU priorities, and deliver outcomes that matter for farming families, coastal communities, and the wider agri-food economy. By the end of our six-month term, I want Ireland to have played its part in laying firm foundations for the long-term growth and opportunity of our the agri-food and seafood sectors.



Members of the AIB Agri Advisor Team with Minister for Agriculture, Food and the Marine Martin Heydon at the Moorepark Dairy Open Day 2025.



# Donal Whelton, AIB Head of Agri, Food and Fisheries,

reflects on the year to date and previews the remainder of 2025.



**Donal Whelton**  
Head of Agri Sector

2025 has once again underscored the adaptability and underlying strength of Irish Agriculture. Across dairy, beef, sheep and pigs, these sectors are delivering solid income uplifts, thanks to firmer pricing, stronger volumes and generally stable input costs. In the tillage sector, favourable sowing and harvesting weather conditions have been welcomed, however grain price remains somewhat challenged, especially compared to 2022 highs. But some structural uncertainties remain – most notably the unresolved status of the nitrates derogation. Against the backdrop of disease threats, trade policy developments, and evolving weather patterns, farm businesses must stay alert to preserve the gains made throughout the year.

## CAP and Nitrates Derogation

CAP reform discussions have already begun in relation to the next CAP budget which will commence in 2028, with initial proposals of a reduction in the budget. At the same time the expiry of nitrates derogation looms at the end of 2025. Without renewal many farms could face new operation challenges. As such, securing clarity for farmers will be essential to sustaining momentum in the second half of 2025 and beyond.

## Dairy

Irish dairy output is performing strongly, the Central Statistics Office reports that May milk volumes were up 6.8% year-on-year, with cumulative supply from January to May rising 7.6% on 2024 levels. That strength is carrying through the summer, with processors indicating that total milk volumes could surpass the 8.8 billion litres processed in the peak year of 2022.

Export performance is also robust. To the end of May, dairy exports were 10% higher in volume and 22% higher in value, with butter leading the growth, export tonnes rose 21% while butter export value surged 56% to €752m. Taken together with steady input costs, this should signal a meaningful uplift in profitability for dairy producers in 2025.

## Beef

The Irish beef sector continues to benefit from tight supply and sustained demand. As I write factory quotes for steers are around €7.50/kg, with heifers slightly higher, with some purchasers paying as much as €7.70-€7.80/kg. Despite recent factory-level price cuts, overall price levels remain elevated compared to the 3-year rolling average. During the opening half of 2025, processors handled a solid flow of cattle with throughput running slightly ahead of last year's pace. Although cattle availability has tightened in recent weeks, the prime kill to date remains about 1% higher than 2024. Cow throughput on the other hand is notably lower. A combination of firmer milk prices and the elevated culling rates seen in recent years has reduced cow numbers, leaving YTD throughput down 13%.

Looking ahead, Bord Bia projects a 7-8% drop in prime cattle supply for the second half of the year, underpinned by the smaller national herd and buoyant live exports. To date, 301,347 head have been exported, a 10% increase on 2024 levels. These trends point towards a firm market and improved beef sector returns, though a watchful eye around ongoing trade developments like Mercosur remains prudent.

## Sheep

Sheep markets remain firm. Q1 2025 saw sheep throughput down over 22%, reflecting supply tightness. However, YTD the difference has now reduced to 16%, with reductions evident across all categories. The shortage of lambs moving through Irish plants mirrors a wider European trend. Recent flock data from both the UK and EU highlight smaller breeding flocks and lower output from the 2025 lambing season.

Meanwhile, price signals remain strong. Although we have not seen the same output price peak as 2024 a favourable spring and controlled inputs points towards significantly stronger incomes for sheep producers this year, supported further by enhanced payments under the Budget 2025's expanded Sheep Welfare Scheme.

## Pigs

The pig sector continues to build on its recovery. Throughput YTD is up 3.9% in 2025, with prices rising from €2.13/kg (including VAT) in early January to €2.29/kg (including VAT) in May, before settling lower at €2.10/kg (including VAT) but remaining stable. It is anticipated that Irish and European pork prices are likely to remain steady through to year-end.

While African Swine Fever outbreaks elsewhere (e.g. Estonia) add a note of caution, the mood music in Ireland is one of continued moderate recovery and stable profitability.

## Tillage

Harvest yields particularly for winter barley is reported to be above the five-year average. Good sowing conditions in spring set the platform for strong crop establishment, and agronomic efforts like fungicide usage have begun to pay dividends.

Forecasts suggest that cereal prices are likely to be back at harvest, however yield gains are supporting margins in the sector.

## Outlook

As we begin to close out 2025 confidence is rising across the sector. Dairy, beef, sheep and pigs are in line to realise strong profitability. However, success is far from assured: uncertainties about CAP reform and the nitrates derogation, coupled with disease risk, global trade shifts and market volatility create a dynamic landscape. For farmers, finishing the year positively will as always, demand rigor in cost control and responsiveness to market signals.

# Siobhan Kavanagh updates on the progress and success of the Teagasc Signpost Programme



**Siobhan Kavanagh**  
Signpost Programme Communications  
and Engagement Specialist

## Executive Summary

The Teagasc Signpost Programme has emerged as a leading force for climate action and sustainable innovation across Irish agriculture. Launched to address the sector's significant share of national greenhouse gas (GHG) emissions, the programme has made remarkable progress by combining farmer-led action with scientific rigour and strong industry collaboration.

Now operating across dairy, beef, sheep, tillage, pig, and poultry systems, the programme showcases practical solutions that reduce emissions, enhance biodiversity, improve nutrient use, and maintain productivity. At its core, Signpost is a demonstration-based, data-driven initiative that places farmers at the centre of climate solutions - supported by robust research and advisory services.

## Key Achievements

The programme's major achievements are reflected in the increased awareness of climate action among farmers, the widespread adoption of sustainable technologies, and the creation of robust data to support long-term environmental monitoring. Over the past four years:

- Over 90 farms were extensively soil-tested, with 70% of dairy and 50% of beef farm soils now reaching agronomic optimum levels for pH, phosphorus, and potassium - substantially above national averages.
- Protected urea adoption has surged, now used by up to 67% of Signpost dairy farmers, 69% of dairy beef farmers, and over 50% of suckler beef farmers, compared to a national average below 30%.
- Fertiliser nitrogen use has declined across most systems, aided by increased clover in swards, precision slurry application, and better nutrient planning.
- Low-emission slurry spreading (LESS) is now employed by over 90% of cattle farmers in the programme, demonstrating a widespread shift toward emissions-reducing practices.

## Farm Performance and Innovation

Signpost demonstration farms have remained productive and profitable while reducing their environmental impact. Dairy farms continue to achieve strong milk solids output and economic breeding index (EBI) gains, while dairy-beef systems are improving carcass quality and finishing times. Future Beef suckler farms are integrating genetics, grassland management, and health planning to lift productivity and reduce GHG intensity.

In tillage, Signpost farms lead the way in soil fertility, straw incorporation, organic manures, and reduced fertiliser reliance. Innovations such as slurry testing, cover cropping, and precision nutrient management have yielded tangible environmental and economic benefits.

## Scientific Research Driving Progress

A defining strength of the Signpost Programme is its commitment to research-led action. Soil fertility results from over 5,000 samples between 2021 and 2024 confirm major improvements across dairy, beef, and tillage farms. For instance, dairy soils at agronomic optimum levels increased from 42% to 70%, while environmental optimum levels quadrupled from 6% to 22%.

A comprehensive soil carbon campaign, covering 67 farms and over 1,000 deep core samples, provided new insights into carbon sequestration. Grasslands consistently outperformed tillage in soil organic carbon (SOC) stocks, particularly at depth - highlighting their potential to act as long-term carbon sinks. Notably, soils rich in clay (Luvisols and Gleysols) were shown to retain the highest carbon levels.

The use of LIDAR and drone-mounted imagery allowed Teagasc scientists to create high-resolution habitat maps for 92 farms, identifying biodiversity levels and carbon-rich biomass areas. Although Signpost farms slightly underperformed the national

average in habitat distribution, the mapping process provides a vital tool for ongoing improvement and habitat planning.

Slurry analysis conducted over three years has refined manure use strategies. With over 230 slurry samples tested, farmers now have a better understanding of the nutrient value of organic manures - leading to more targeted applications and reduced reliance on chemical fertilisers.

Further studies included the pilot use of Bovaer, a methane-reducing feed additive, which demonstrated feasibility on Irish farms without affecting productivity. Though methane measurements were estimated using models, initial findings suggest potential for a 3.4% annual reduction in emissions during the dry period.

Biodiversity efforts are also underpinned by research. The Irish Pollinator Monitoring Scheme, running across 11 Signpost farms, recorded over 2,500 pollinating insects - primarily bumblebees - highlighting the role of field boundaries and flowering habitats in supporting pollinator populations.

## Farmer Engagement and Behavioural Change

Survey results from 2024 reveal a substantial increase in farmers' climate awareness. Following participation, over 90% reported understanding their emissions profile and having a plan in place to reduce it. Importantly, 77% of farmers implemented at least one emissions-reducing practice after attending a Signpost event, confirming that real-world change is being driven by the programme.

Together, these achievements show that the Teagasc Signpost Programme is delivering practical, measurable, and science-backed progress toward a more climate-resilient and sustainable Irish farming system.

If you want to engage with the Signpost Programme, contact your local Teagasc office to sign up to the free Signpost Advisory Programme. Start your journey today and make that call!



# Sustainability is good for Business



For the life  
you're after

**AIB's Business Sustainability  
Loan can help you achieve  
more sustainable growth.**

**→ 0818 47 88 33**

Monday to Friday 9am - 5pm  
(except on bank holidays).

Customer received a gratuity. Lending criteria, terms and conditions apply. Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland.



# Powering the Future: Unlocking Solar Opportunities for Irish Farmers



**Diarmuid Donnellan**  
Head of Sustainability for Agri,  
Food & Fisheries

According to Ireland's Climate Action Plan, energy systems targets require that by 2030, 80% of electricity be generated from renewable sources.

Farmers are quick to see the practical and environmental benefits of solar PV, from cutting energy bills to reducing reliance on fossil fuels. Farmers are grasping at this opportunity to install Solar (photovoltaic systems) PV and are availing of the supports that are available. According to the Minister for Agriculture, Food and the Marine, Martin Heydon the Solar Capital Investment Scheme (SCIS) has "proved extremely popular with 3,741 applications received across the first eight tranches of the Targeted Agricultural Modernisation Scheme III (TAMS) "up to the end of July '25. To date there are c.1,000 farmers that have successfully installed solar panels on their farm holding and successfully submitted a claim under TAMS III.

## TAMS III - Solar Capital Investment Scheme (SCIS)

For most farmers considering solar energy, the main grant option is the SCIS, which forms part of TAMS III operated by the Department of Agriculture Food and the Marine.

This is specifically designed for farmers and is currently the most generous and widely used solar grant for agricultural enterprises. Under SCIS, farmers can claim grant aid of up to 60% of the cost of installing solar PV systems — including panels and battery storage.

The maximum grant payable is 60% up to the maximum investment ceiling of €90,000 per farm. This means that larger installations up to 62 kilowatt-peak (kWp) can be fully eligible. This grant is particularly useful because it is ring-fenced within TAMS III — meaning it does not eat into your eligibility for other TAMS schemes (for example, animal housing or slurry storage grants).

If you have already applied under TAMS for other capital development projects, you can still apply for the SCIS.

Farm dwellings can also be included in the installation, provided the farmhouse and the farm buildings are connected to the same ESB meter — this is a significant benefit for farmers who want to offset both household and farm electricity costs.

Applications must be submitted through the Department of Agriculture's online system at Agfood.ie. Importantly, you must be a registered farmer with a minimum level of economic activity (minimum €2,000 investment in eligible items) to qualify.

## Solar Photovoltaic (PV) Systems

- Benefits: Installing solar PV on farm buildings can generate renewable electricity and reduce reliance on the national grid, lowering energy costs and enhancing energy security.
- Costs: Up to 60% of installation, costs are covered by the Targeted Agricultural Modernisation Scheme (TAMS) and the payback period is 2-4 years.

### Broader Benefits of Solar PV

Lifetime of system: 25 – 30 years
Hedge against rising electricity prices – long term protection
Reduces carbon footprint – helps meet sustainability targets
Increases farm resilience and mitigates energy price volatility

### Solar PV Case Study<sup>(1)</sup>

Below is a detailed case example of solar PV on an Irish dairy farm that Teagasc have developed, with costings, grant supports, savings, and payback period - based on current Irish market conditions<sup>(2)</sup>. This case study examines the financial and operational implications for a dairy farmer considering the installation of a solar PV system. The farm in question had an annual electricity usage cost of approximately €15,925, equating to around 45,500 kWh of electricity at an average cost of 35 cents per kWh. The electricity usage was distributed as follows: 70% during the day and 30% at night. Key electricity consuming equipment included the bulk tank (52%), hot water systems (22%), vacuum pump (19%), and lighting (6%). Based on a thorough farm survey, the recommendation was to install a 30kW solar PV system with 15kWh battery storage and a water heating system.

### Farm Profile

Type:	Dairy
Herd Size:	150 cows
Milking System:	Modern 20 -unit parlour
Energy Use:	Bulk milk tank (cooling) Hot water heating (for plant washdown and in-parlour use) Milking machine and vacuum pumps General lighting, pumps, workshop use
Annual electricity consumption:	45,500kWh/year
ESB tariff:	€0.35 per kWh (average cost usage, 70%-day rate and 30% night rate)

### Solar PV System Size

Size proposed:	30 kWp solar panels + 15Kw battery (solar panels occupy 180 sq metres of roof space)
Annual Solar generation:	Approx. 27,000kWh/year equal to 59% of the annual usage of the farm. (27,000 kWh /45,500 kWh = 59%) Typical performance: 900kWh per KWp/year in Irish conditions
Battery Storage:	With the aid of battery storage and a water heating diverter, the farmer could utilise 65% of this electricity onsite, yielding significant savings.
% Self-consumed:	65% (rest exported to the grid) Dairy farms typically have good daytime energy profile that matches solar output well (milking times morning and afternoon)



## Costs

<b>System Cost (installed, including inverter)</b>	€64,276 including VAT @13.5%
However, after reclaiming VAT (€8,677) and applying 60% grant (€33,359) on the net cost before VAT of €55,599, the final net cost to the farmer would be €22,240. Since January 1, 2012 a flat rate farmer can claim back the VAT incurred on the purchase of a Solar PV system, which designed to be used mainly or solely in his or her farming business.	
<b>Eligible Grant (TAMS III Solar Capital Investment Scheme SCIS):</b>	60% of €55,599 = €33,359 grant Net cost to the farmer after grant €22,240

## Annual Savings

<b>Self-consumed electricity:</b>	65% of 27,000kWh = 17,550kWh
<b>Direct Saving:</b>	17,550 kWh x €0.35 = <b>€6,142.5/year</b>
<b>Exported to Grid:</b>	9,450 kWh
<b>Feed-in tariff:</b>	€0.16 per kWh (varies slightly by energy provider)
<b>Export revenue:</b>	9,450 kWh x €0.16 = €1,512/year
<b>Total annual benefit:</b>	<b>€6,142.5 (savings) + €1,512 (export) = €7,654.5/yr</b>

## Payback Calculation

<b>Net cost to the farmer:</b>	€22,240
<b>Annual Return:</b>	€7,654.5/year
<b>Simple Payback:</b>	€22,240 / €7,654.5 = <b>2.9 years</b>

## Considerations

Battery storage is optional – adds cost but can increase % of self-consumption
Grid connection application must be made in advance (NC6 for to ESB networks)
Export tariff subject to market rates
For Irish dairy farms, solar PV is now an extremely attractive investment
Increases farm resilience and mitigates energy price volatility

## Summary

There are a strong package of grant supports available for farmers looking to invest in renewable energy. The TAMS III SCIS is the cornerstone for farm solar — with 60% grant funding and an upper investment cap of €90,000, i.e. max grant of €54,000. This scheme is supporting large scale adoption of solar PV across Irish farms.

In short, there is an excellent opportunity for farmers to improve energy efficiency, reduce input costs and diversify income — and with electricity prices remaining volatile, many farmers are seeing renewable energy as a core part of their business sustainability strategy for the future.

## References

<sup>(1)</sup><https://www.teagasc.ie/news-events/daily/environment/everything-farmers-need-to-know-about-putting-solar-panels-on-sheds.php>

<sup>(2)</sup>Teagasc Agriculture and Food Development Authority.



Michael Ahern and Family pictured with key sponsor representatives receiving the 2024 Overall Grassland Farmer of the Year award.

# Irish economy to expand at a steady pace, despite ongoing uncertainty



**Daniel Noonan**  
AIB Economic Research Unit

The Irish economy has continued to perform strongly over the past number of years, albeit the data have been somewhat volatile. In 2024, GDP returned to growth, rising by 2.6%, after declining by 2.5% the year prior, largely owing to a drop-off in the pharmaceuticals sector. At the same time, the domestic economy remained in robust health, although the pace of expansion moderated last year. Overall, modified domestic demand (MDD) increased by 1.8% in 2024, with personal consumption rising by 2.9% also. These are still solid rates of growth, but they are well below the average per annum expansion rates of 7.6% in MDD and 8.2% in consumption, witnessed between 2021-2023.

Other metrics also indicate that the Irish economy continued to perform very well last year. The labour market in particular remained in robust shape, and it was once again a key driver of the domestic economy's performance. Employment continued to rise at pace, up by 2.7% in 2024, supported by continuing inflows of foreign nationals and rising participation levels. Gains in employment were broad-based across sectors, and in total, the economy added around 70,000 jobs in the year. Furthermore, the unemployment rate remained historically low, averaging just 4.3% for a second consecutive year in 2024. Meanwhile, inflation eased throughout the first nine months of 2024, as externally driven price pressures waned. This saw headline HICP inflation (the EU-wide standard measure) reach a low of 0% in September. For the full year, headline HICP averaged 1.3% in 2024, down from 5.2% in 2023 and a high of 8.0% in 2022. Importantly, owing to this backdrop, real wage growth turned positive last year.

The available data for the first half of 2025 suggest that the recent trends seen in growth, the labour market and inflation, have continued this year, despite high levels of global uncertainty amid significant changes to US trade policy and ongoing geopolitical tensions. For example, GDP remains volatile, with output surging by 7.4% in Q1 due to a sharp rise in exports (particularly in the pharma sector), owing in part to tariff front-running, before contracting by 1.0% in Q2. Overall though, the preliminary estimate indicates that GDP is up by over 16% in the first half of the year compared to the same period in 2024. MDD data (which are only available for Q1 currently) show that the domestic economy expanded by a much more modest 2.0% in the first quarter of the year. Furthermore, the labour market continued to expand, with employment rising by 3.3% year-on-year in Q1, while, the unemployment rate has remained low, averaging just 4.2% in the first six months of the year. This means that the number of people in employment is up by around 440k since the end of 2019. At the same time, the unemployment rate has printed below 5% on a monthly basis for more than three consecutive years, the longest period of low unemployment since records began in 1983. Meanwhile, inflation has drifted higher, but HICP has averaged just 1.7% in the first six months of 2025.

Turning to the agricultural sector, data from the CSO show that the total operating surplus jumped by 58.1% last year to €4.3bn, due to higher output prices and lower input costs. Looking at the key underlying trends in 2024, the value of milk output increased by 16.4%, due to a sharp rise in prices of circa 17%, while production volumes were little changed compared to 2023. In terms of livestock, cattle prices grew by 5%, albeit this was tempered somewhat by a 3% fall in volumes, resulting in a modest 1.7% increase in value. Between them, milk and cattle amounted to over 55% of agricultural output at basic prices in 2024. Meantime, sheep prices were up by 18%, lifting their value by 12.4%, despite a 4.6% drop in their volume. In contrast, pigs and poultry saw weaker prices, albeit this was offset by a surge in volumes, culminating in a 6.3% and a 9.0% rise in values. Horse values rose by 10.1%, as volumes and prices both increased.

Meanwhile, the CSO estimates that the cost of farming inputs fell outright by 3.6% in 2024, primarily due to a further drop in the price of fertilisers. They declined significantly by 26.4% in 2024, albeit they are still over 12% higher than they were in 2020. At the same time, the price of energy and feeding stuffs are estimated to have fallen by 4.7% and 6.5%, last year. However, the cost of forage plants and contract work rose by around 4% and 9%, respectively.

Looking ahead, it is clear that the outlook for the Agri-sector, much like the wider Irish economy, will depend on the evolution of the global economic backdrop. A rise in protectionism in the US has created significant uncertainty so far in 2025, which has impacted business and consumer sentiment throughout the world. Indeed, the recent EU-US trade deal raises the tariff rate on most Irish exports to the US to 15% from around 5% previously, but crucial details (including for some agricultural goods) have yet to be clarified. Furthermore, there is added confusion regarding how industries (including dairy) which operate on an "all island basis" will be dealt with, given the UK reached a 10% tariff deal with the US. Any divergence in the treatment of goods between the north and south of the island would be burdensome and could create additional costs for farmers.

Another year of modest growth is anticipated for the global economy, amid the lingering effects of tight monetary policy and the cost-of-living pressures of recent years, as well as the increased levels of uncertainty at present. Furthermore, higher trade barriers are likely to weigh on global trade in the years ahead. Thus, it is clear that the risks to the outlook for the Irish economy are skewed to the downside, amid the potential for an escalation in geopolitical tensions and a widening in geo-economic fragmentation.

Despite this backdrop, in its latest Quarterly Bulletin, the Central Bank of Ireland (CBI) notes that the Irish domestic economy is still expected to expand at a steady pace out to 2027, supported by resilient household consumption, due to continued strength in the labour market and robust income growth. MDD is seen as rising by 2.0-2.2% per annum between 2025-2027. Meanwhile, GDP is forecast to grow by 9.7% this year, 2.7% next year and by 5.6% in 2027. Significant investment in general infrastructure, particularly housing, as outlined recently in the updated National Development Plan should also support the economy over the next five years. However, plans at an EU level to merge the Common Agricultural Policy with other funds, effectively ending the ringfenced status of CAP in the next EU Budget starting in 2028, may have a direct negative impact on the agriculture sector. It should be pointed out though, that the next EU Budget has yet to be finalised. Thus, despite the many risks and challenges, there are still plenty of reasons to be optimistic about the outlook for the Irish economy, and in-turn the Irish agri-sector.



# Learnings from this year's Irish Grassland Association Dairy Summer Tour



**John Farrell**  
IGA President and AIB Agri Sector Team

The Irish Grassland Association's 2025 Dairy Summer Tour, sponsored by AIB, drew a crowd of more than 600 farmers to the Blackwater Valley in Cork. Hosted on the farms of Kevin and Margaret Twomey and Mike and Tina Bermingham, the tour showcased two very different but equally successful approaches to dairy farming.

## Pathways Into Dairy – The Twomey Story

The Twomeys have built a remarkable business since starting out with 40 cows in 1994. Today, they are milking 480 cows on their home farm and oversee six additional units, each run by a manager and second in command with support from relief milkers. All the farms are supported by a centralised system of planning and communication.

They operate a simple spring calving system across all units with excellent genetics and excellent cost control. There is about a 2 cent/litre difference in costs across the farms. They have clarity on and understand the key profit drivers for their business.

What sets their story apart, however, is their philosophy. Kevin and Margaret invest a huge amount of time and resources in developing the people that work with them. Over the years, 12 of their former employees have gone on to establish their own dairy herds.

## Technical Performance – The Bermingham Farm

The Berminghams started out milking 55 cows in 2014. Today, they are milking 90 cows on a 40-hectare milking block with the farm averaging over 550 kg of milk solids annually since 2016.

Grassland management is at the core of the business with sward management and strong herd genetics all contributing to a consistent output. Mike puts a big focus on growing as much grass as possible by focusing on grazing management, reseeding, nutrient management and clover incorporation.

The Berminghams also place a strong focus on work-life balance—outsourcing some jobs rather than investing further on the farm. The heifers are contract reared, and they use relief milkers and contractors to ensure that there is lots of time for the family

## Some of the key message on the day included:

### 1. Grass remains our cheapest feed

Both farms stressed that maximising grazed grass is still the cornerstone of profitable dairying. In an era of rising costs, maximising grass intake remains the most reliable way to keep milk production competitive. Both farms showed how clover, paddock infrastructure, and grazing discipline are working for them.

### 2. Find the right stocking rate for your farm

Stocking rate needs to match the amount of grass the farm can grow. Grass growth has reduced from its peak on both farms. The Berminghams have deliberately reduced cow numbers to improve grass utilisation and reduce the amount of bought in feed.

### 3. Make the best use of labour

Be that through structured staff roles or careful use of contractors, both farms showed how it works for them. The Twomeys showed how structured staffing, communication and clear roles can keep a multi-unit business running smoothly. While the Berminghams demonstrated how outsourcing some of the jobs can help ensure a healthy work life balance.

### 4. Keep costs under control

There is excellent cost control in place on both farms and both stressed that attention to numbers is as important as attention to cows. The Twomey farms have a lower cost of production compared to other Profit Monitor farms while Mike shared details of his monthly tracking of expenses.

### 5. There are lots of opportunities for young farmers in the industry

Kevin's message on the day was clear - you don't need to own land to milk cows. There is lots of opportunities in the industry for the next generation of farmers. The Twomeys invest in and develop their staff, and this was echoed by the two young farmers who spoke on the day. With the experience gained from and mentorship provided by the Twomeys 12 of their former employees have gone on to establish their own herds.

### 6. Profitability and environmental sustainability can go hand in hand

Both farms acknowledged that environmental sustainability is an ongoing process. The Berminghams highlighted how they have optimised stocking rate and the incorporation of clover to reduce their reliance on chemical fertiliser and bought in feed, cutting both costs and emissions. Both farmers are matching cow numbers to grass growth, embracing clover and investing in infrastructure to ensure the best possible use of nutrients.

Despite the differences in size and style, both farms delivered several lessons for all in attendance. Whether running a multi-unit operation or a smaller highly productive farm, the core lessons remain the same: grass, efficiency and people are the foundations of a profitable and sustainable future in Irish dairying.

# The role and purpose of Dairy Women Ireland



**Nicola Fetherstone**  
AIB Agri Advisor

Dairy Women Ireland is a voluntary, grassroots organisation founded in 2021, with the mission to connect and empower women involved in the dairy industry. AIB are delighted to continue to support Dairy Women Ireland as it continues to grow its presence in the industry year-on-year. Its member base has been increasing steadily since its establishment and includes members of AIB's agri team Nicola Fetherstone, Kelley Lyons and Clodagh Forbes. Nicola Fetherstone has also taken up a role on the Dairy Women Ireland steering committee and is a member of the finance team. The AIB team have most recently supported Dairy Women Ireland as part of their "Let's Chat Farm Finances" event organised by the North Munster regional team in June this year.

"I attended the Dairy Women Ireland Conference in 2023 for the first time. Women of every age, every background, every role on the farm coming together into one room to support and empower each other was truly something special. The energy in the room was unbelievable. I knew I had to get involved in the organisation when I realised the important role it was playing within the dairy industry" – Nicola Fetherstone

**Nicola Fetherstone, AIB Agri Advisor and Dairy Women Ireland steering committee member, speaks to Ciara Lynch, fellow steering committee member on how she got involved with Dairy Women Ireland and how they support and empower women in dairy.**

## Who are Dairy Women Ireland?

"Dairy Women Ireland is a voluntary, grassroots organisation. We officially launched in 2022 with our first conference. Since then, we've hosted many online and regional events, as well as kitchen table gatherings on member's farms up and down the country and through these welcomed hundreds of women from all across the dairy industry. We wanted to connect, empower and support women including farmers and farm partners; no matter how they ended up with cows in their life. It really is amazing when you stop and think about it. It's hard to believe that we are well into our conference preparation for our fourth annual conference in November. We want to continue to provide women in dairy with skills, knowledge, confidence and a stronger collective voice going forward".

## Why did you get involved with Dairy Women Ireland?

"I got involved with Dairy Women Ireland because when I left my career in marketing, I was completely new to the dairy industry. There was no support really available. I didn't know a huge amount of people in the industry. I wished at the time that there was an organisation or a resource that I could get in touch with to meet and learn from like-minded people. When you're working with a team of people who may have been farming all their lives sometimes the really obvious skills, or tips and tricks are hard for them to teach because they've known them all their lives - they almost do them automatically. I would have loved to have been able to chat to different women learning at different rates with different skills sets. I think it would've helped my confidence in that first year of dairy farming. So, when the opportunity came up to get involved with setting up Dairy Women Ireland, I jumped at the chance".

## What events do Dairy Women Ireland offer to its members?

"We've gone from strength to strength over the years, we had three really successful conferences with planning for our fourth in November currently underway. We have incredibly interesting zoom topics every month which are recorded so that members can watch back the content in their own time. Recent topics included TB, The Future of Farming, and Menopause.

We host regional events which are an excellent way to get to know fellow women in dairy in your area. If you're going to the effort of organising somebody to cover your milking shift, or your school pick-ups/drop offs, we believe you should come away having learned at least three things that you can apply to your farm to your business to your day-to-day activities on farm in return. Most recently we hosted in-person events such as a Kitchen Table Talk on the farm of Carol Breen on Farm Finances (supported by AIB), a farm tour and research update at Shinagh Research Farm in Bandon, a family day at Con Trass's Apple Farm in Cahir, and a share milking partnership event on the farm of the Mike and Sarah Malone, and the Hickey Farm Partnership, in Roscommon.

We tend to run a mix of online and in person events as we understand not everybody can leave the yard, work or the kids for every event so we do a range of events at different times of the day. Some of them are early afternoon and then some of them are after 7pm. We post regular updates on any up-and-coming events on our website and social media (@dairywomenireland)".



## What keeps you motivated in Dairy Women Ireland?

"It is the feedback we get from women who attend our events. I love to hear how our events have helped them in some way. Some women further their education and their own personal careers which is incredibly rewarding. All the steering committee are involved in a voluntary capacity. As a dairy farmer and as a mother, there isn't a huge amount of spare time in the day, but I know that Dairy Women Ireland is such a vital network to women. I feel very passionate about maintaining that and reaching even more women in the industry going forward; we're only going from strength to strength. It was amazing to be recognised for all the hard work at the 3rd National Dairy Awards in June. We were awarded the Cormac Tagging Discussion/Support group of the year award, as well as the Farm TV Marketing Campaign of the year award for our "I'm passing the phone to a woman in dairy campaign".

## What are your thoughts on the future of farming?

"I think it's incredibly bright. Every generation has its challenges; cost of inputs, environmental challenges, and changes to policy are our top of mind for us, at the moment. I do think it can be difficult for young farmers to get started if they are not from a farming background. I think we will probably see more share farming or share milking arrangements in the future. Some of the best farmers that I know don't come from dairy farming backgrounds, and I think it would be an awful shame if we were to limit access to the industry by not helping to support young farmers in getting started. That's where banks such as AIB are really important".

Visit [www.dairywomenireland.ie](http://www.dairywomenireland.ie) to join Dairy Women Ireland: Membership - Dairy Women Ireland



Keynote speaker Ursula Kelly of Cormac Tagging, speaking to a full house at the 2024 Dairy Women Ireland Conference.

# AIB Agri Team

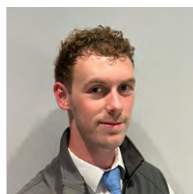
We have a dedicated Agri Advisor Team based around the country who support the needs of our farming customers. We are from farming backgrounds ourselves, so we have a practical understanding of the sector and bring a wealth of experience when looking at farm finance. Our team provide strong, objective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



**Donal Whelton**  
Head of Agri Sector  
086 414 6550  
donal.j.whelton@aib.ie



**Diarmuid Donnellan**  
Head of Sustainability for  
Agri, Food & Fisheries  
086 462 1355  
diarmuid.p.donnellan@aib.ie



**Dónal Walsh**  
Agri Sector Team  
087 690 1985  
donal.x.walsh@aib.ie



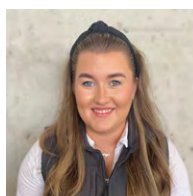
**John Farrell**  
Agri Sector Team  
086 008 0305  
john.a.farrell@aib.ie



**Barry Hyland**  
AIB Agri Advisor for  
Cavan, Monaghan  
086 383 1661  
barry.l.hyland@aib.ie



**Chris Nolan**  
AIB Agri Advisor for  
Kilkenny, Tipperary, Waterford  
086 008 0272  
chris.p.nolan@aib.ie



**Clodagh Forbes**  
AIB Agri Specialist  
087 475 6741  
clodagh.x.forbes@aib.ie



**Eamonn O'Reilly**  
AIB Agri Advisor for  
Westmeath, Longford  
087 251 7806  
eamonn.m.o'reilly@aib.ie



**Kelley Lyons**  
AIB Agri Advisor for  
Clare, Limerick  
087 352 3610  
kelley.m.lyons@aib.ie



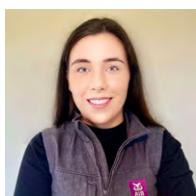
**Liam Phelan**  
AIB Agri Advisor for  
Wicklow, Wexford, Carlow  
086 023 1700  
liam.p.phelan@aib.ie



**Michael Murphy**  
AIB Agri Advisor for  
Cork, Waterford  
086 780 5216  
michael.a.murphy@aib.ie



**Mick Conlon**  
AIB Agri Advisor for  
Meath, Laois, Offaly  
087 187 2346  
michael.j.conlon@aib.ie



**Nicola Fetherstone**  
AIB Agri Advisor for Sligo, Leitrim,  
Roscommon, Galway, Mayo  
087 657 8335  
nicola.j.fetherstone@aib.ie



**Patrick Butterly**  
AIB Agri Advisor for  
Donegal, Louth, Dublin, Kildare  
086 383 1576  
patrick.p.butterly@aib.ie



**Shane McCarthy**  
AIB Agri Advisor for  
Cork, Kerry  
086 008 1317  
shane.p.mccarthy@aib.ie



**Drop in to  
any branch, or visit  
→ [www.aib.ie/farming](http://www.aib.ie/farming)**

Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland. AIB and AIB Bank are registered business names of Allied Irish Banks, p.l.c. Registered Office: 10 Molesworth Street, Dublin 2. Registered in Ireland: Registered No. 24173.

© Allied Irish Banks, p.l.c. 2025. All rights reserved in the copyright of the newsletter. The content of this newsletter is expressed in broad terms and is limited to general information purposes only. Readers should always seek professional advice to address issues arising in specific contexts and not seek to rely on the information in this newsletter which does not constitute any form of advice or recommendation by AIB Bank. AIB Bank neither accepts nor assumes any responsibility in relation to the contents of this newsletter and excludes all warranties, undertakings and representations (either express or implied) to the fullest extent permitted under applicable law. Lending criteria, terms and conditions apply. Credit facilities are subject to repayment capacity and financial status and are not available to persons under 18 years of age. Security may be required.

**Warning: The costs of your repayments may increase.**

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