

Navigating Change

Bord Bia's COVID-19 Response Plan

9TH APRIL 2020

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01 The Food, Drink and Horticulture Sector

Ireland's food and drink sector is a key driver of the Irish economy with exports worth €13 billion in 2019. This sector's exports have grown by 76% since 2010, when export values were €7.4 billion.

The markets into which Ireland's Food and Drink exports have been sold has also diversified in recent years with 2019 being the first time that sales to the European Union markets out-performed sales to the UK.

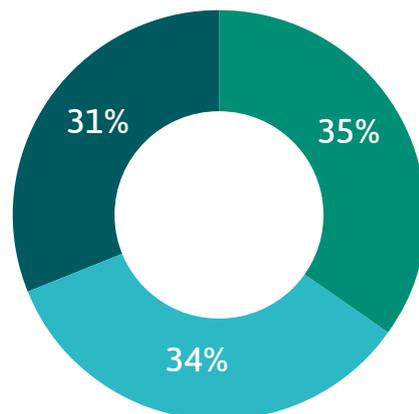
To understand how COVID-19 is impacting each food and drinks sector and to read detailed, frequently updated analysis, please visit:

<https://www.bordbia.ie/industry/covid-19-information/understanding/>

This Response Plan has been produced to help the food and drinks sector deal with the implications of COVID-19 on their businesses. It aims to:

1. Outline the guidance, supports and initiatives provided by Bord Bia to support manufacturers in respect of COVID-19.
2. Outline COVID-19 supports from Government and State Agencies.
3. Provide manufacturers with business advice to guide decision making during these challenging times.

Sales %by Region 2019



02 Bord Bia's Supports

Bord Bia's **response to COVID-19** can be broken down over four key areas:

1. Understanding
2. Supports
3. Preparedness
4. Future Proofing

Understanding

Bord Bia is providing to its clients' insights from markets, sectors and other published sources on the impact of the crisis on trade worldwide and its implications for the Irish food, drink and horticulture industry.

To fully understand the impact of the crisis and its implications for the Irish food drink and horticulture industry we are drawing on three main sources:

1. Markets: Up to date insights on demand in markets worldwide drawn from customers, local stakeholders, trade media across 4 areas: retail, foodservice, manufacturing and logistics
2. Sectors: Up to date insights on supply drawn from clients across the meat, dairy, seafood, alcohol, horticulture and PCF sectors
3. Bord Bia's Thinking House: Drawing from published macro-economic statistics, commentary and trends, repurposing existing research on consumer, shopper and trade insight.

This is published in a **biweekly publication of supply and demand trends and implications across the supply chain worldwide**, available here:

<https://www.bordbia.ie/industry/covid-19-information/understanding/>

Supports

Supports are defined as any service or activity that Bord Bia can deliver to assist our clients, customers and producers.

These include:

COVID-19 issues	Bord Bia Supports
Business Continuity	COVID-19 Response Marketing Support Package
	Bord Bia's COVID-19 Response Plan
	Business Continuity Webinars
Business continuity for primary producers	Lean Initiatives
Market and Customer Engagement	Bord Bia's FoodAlert and Podcasts
	Lead Generation/Buyer Engagement
High street shopping / physical movement disruption	E-commerce Capability and Digital Marketing
Logistics and border interruptions	Supply Chain Webinar, including voice of the customer

Further details are available here:

<https://www.bordbia.ie/industry/covid-19-information/client-support/>



Preparedness

Bord Bia is revisiting and reconnecting to our Purpose and Strategic Priorities, and using our Strategic Planning process as a vehicle to help us respond to and drive change in Bord Bia to help us address industry needs.

It is enabling us to:

- Set out a framework for the short term (remainder of 2020) the medium term to end of 2021, on how we will support the industry
- Identify initiatives/activities that allow us to continue to meet client and stakeholder needs
- Identify alternative approaches to plans that can no longer be achieved or are no longer relevant
- Align plans with Strategic Priorities, Sector and Country Plans
- Look to the longer term, so that we are future proofing our efforts with a new corporate strategy 2022 – 2025+; linking to our Purpose and Vision

Further details are available here:

<https://www.bordbia.ie/industry/covid-19-information/preparedness/>

Future Proofing

Bord Bia will make every effort to address the immediate industry challenges of COVID-19 and equip the food and drinks sector to navigate the economic impact. To do this, we must focus on learning quickly from this crisis and adequately equipping our members and stakeholders to adapt for now and evolve for the future.

In time, when the immediate and severe impacts of COVID-19 have abated, food and drink companies must start planning for a post COVID-19 future. This is a key aspect of Navigating Change and Bord Bia will provide member companies with the specific supports throughout this crisis – bespoke to each phase so they can adapt to new market conditions; recover and reset.

There are many unknowns in relation to the world after COVID-19 and how it will emerge, both economically and societally. This will be influenced by whether this is a “one-off” or a recurring phenomenon, the duration of the pandemic, and the legacy it leaves in its wake.

To address this uncertainty, and as businesses begin to emerge from the immediate crisis and plan ahead, Bord Bia will provide business with vital resources and insights including;

Market Insights

- Learning from International Markets: Examining those markets who were impacted at an early stage impact- COVID-19, and patterns as they emerge from the crisis
- Looking to the Future: Allowing businesses to begin to think about post-COVID-19 realities, and what that might mean for their business
- Bespoke insight programs

Strategic Supports

- Launching the Readiness Radar and Planning Workshops for clients aimed at learning from the crisis and charting a way forward
- A PR-led messaging campaign with perspectives and case studies on COVID-relevant

If you would like to participate in the Readiness Radar, please email info@bordbia.ie

Further details are available here:

<https://www.bordbia.ie/industry/covid-19-information/future-proofing/>

03 Government Led COVID-19 Supports for Business

The impact of COVID-19 is likely to be severe for Irish businesses and the economy as a whole. The [ESRI](#) have stated that the COVID-19 pandemic is the greatest threat to the Irish economy since the financial crisis. In its quarterly Spring Economic Commentary the ESRI predicts that the economy will shrink by 7.1% this year as a consequence of the impacts

of the virus. The labour market, which was in a position of strength prior to the pandemic, is set to receive its greatest ever quarterly shock. The unemployment rate is predicted to increase to 18% from 4.8%.

The response from Government has been extensive and across the whole of Government. The following sections of this booklet provide details of Governmental supports, initiatives and measures to support employers and employees against the impact of COVID-19.



Department of Enterprise Business & Innovation - Credit Guarantee Scheme

- This scheme is available to COVID-19 impacted entities.
- The Scheme is operated through the Pillar Banks (AIB, Bank of Ireland and Ulster Bank)
- Loan facilities are up to €1 million and available for a maximum term of 7 years
- The scheme is aimed at assisting SME's which would not be able to otherwise access finance from their banks
- The scheme operates by Government providing banks with an 80% guarantee on qualifying loans
- The banks normal credit decision making procedures apply

Further information on this scheme can be accessed at:
<https://sbci.gov.ie/schemes/covid-19-loan-application>

Business Continuity Voucher (through Local Enterprise Offices)

Sole traders and businesses, employing up to 50 staff, are eligible to apply for a Business Continuity Voucher to the value of €2,500 towards third party consultancy costs to assist with developing short-term and long-term strategies to deal with the COVID-19 pandemic. The purpose of the voucher is to provide contingency planning advice to assist enterprises to continue trading through the crisis.

The primary aim of the scheme will be to support companies make informed decisions on the immediate measures needed to continue trading in the current environment while securing the safety of all employees and future business viability through identification of remedial actions.

The Business Continuity Voucher is available to support businesses:

1. Develop a business continuity plan
2. Assess current financial needs in the short term to medium term
3. Reduce variable costs, overheads and expenses
4. Review and explore supply chain financing options
5. Implement remote working processes or procedures
6. Leverage HR expertise
7. Leverage ICT expertise
8. Prepare a business case for application to emergency financial interventions available through Banks, SBCI (Strategic Banking Corporation of Ireland) and Microfinance Ireland.

Application forms are available from LocalEnterprise.ie/Response and completed forms are submitted to the relevant Local Enterprise Office by e-mail.

Local Authority Rates Deferral

The Government has agreed with local authorities that they should agree to defer rates payments from the most immediately impacted businesses - primarily in the retail, hospitality, leisure and childcare sectors, for three months, until end-May. This measure will be implemented by each local authority in its own area.



Enterprise Ireland - Challenged Business Fund €200 million

Enterprise Ireland are indicating the imminent launch of a €200 million scheme for businesses that need Rescue and Restructuring Capital.

The scheme is aimed at “viable but vulnerable” firms that need to restructure or transform their businesses.

To ensure compliance with EU State Aid rules, the scheme need to ensure that the firms it supports were not insolvent as of the 31st December 2019.

More details are expected shortly and please check over the coming days for updates at:

<https://enterprise-ireland.com/en/about-us/services/covid-19/>

Enterprise Ireland has a range of other grants and supports including a Strategic Consultancy Grant which can be accessed to help enterprises develop their strategic response plan to COVID-19.



Micro Finance Ireland

This is a suitable source of capital for sole traders, partnerships or limited companies with less than 10 people and an annual turnover of up to €2 million. Therefore this may be particularly suitable for small artisan food and drink producers.

The availability of finance in response to COVID-19 has doubled from €25,000 to €50,000.

To qualify for this COVID-19 support the borrower must not be in a position to avail of finance from Banks and other commercial providers.

To be eligible, 15% of the actual or projected turnover or profit is negatively impacted by COVID-19.

Loans are available for a period of up to 3 years, with the option of having no repayments in the first 6 months of the loan.

Interest rates of between 6.8% and 7.8% apply.

SBCI - Working Capital Scheme - €200 million

Called the COVID-19 Working Capital Scheme this scheme is developed with:

- The Department of Business Enterprise and Innovation
- Department of Agriculture Food and the Marine
- InnovFin SME Guarantee Facility (EU Horizon 2020 Financial Instruments)



- ✓ Loans are available through AIB, Bank of Ireland and Ulster Bank
- ✓ Loan amounts are between €25,000 and €1.5 million per eligible enterprise
- ✓ The maximum interest rate is 4%
- ✓ For amounts up to €500,000 the loans are unsecured
- ✓ There is the option of interest only for the starting period of the loan
- ✓ The term of the loan is between 1 year and 3 years (dependent upon the loan purpose)

The loan purpose can be used to:

- ✓ Meet working capital requirements
- ✓ To fund innovation or mitigate against the impact of COVID-19

The loans cannot be used for:

- ✗ Refinancing businesses in financial difficulties
- ✗ To refinance existing debt

Who can avail of the facilities:

- ✓ SME's as defined by (Commission Regulation 2003/361/EC) and Small MidCap enterprises i.e. the undertaking must:
 - ✓ Have fewer than 250 employees
 - ✓ Have a turnover of €50 million or less (or €43 million or less on their balance sheet)
 - ✓ Not part of a wider group of companies
 - ✓ Have less than 25% of their capital held by public bodies
 - ✓ Be established and operating in the Republic of Ireland

As cash flow is the lifeblood of business Bord Bia strongly encourages all businesses to actively engage with your banks to secure the support your business needs during this crisis.

Who cannot avail:

- ✗ Undertakings that are involved in primary agriculture and / or aquaculture sector
- ✗ Are in financial difficulty (excluding cashflow pressure caused by COVID-19 impact)
- ✗ Are bankrupt or being wound up or having its affairs administered by the courts
- ✗ In the last 5 years has entered into an arrangement with creditors in the context of being bankrupt or wound-up or having its affairs administered by the courts (e.g. Examinership)
- ✗ Are convicted of an offense or illegal activity that is detrimental to the European Union's financial interests

The scheme is available from the 23rd March 2020 and will remain open until March 2021 or until the capital has been fully deployed.

Further details of the COVID-19 Criterion and the Innovation Criteria are available on the SBCI website at:

<https://sbci.gov.ie/schemes/covid-19-loan-application>

Banks - Moratoria on repayments

The main commercial banks* and their representative body, the Banking and Payment Federation of Ireland (BPF), met with the Minister for Finance on the 18th March 2020 to agree a number of key measures. These key measures include:

- ✓ Businesses affected by COVID-19 to be given a payment break of up to 3 months (to be reviewed thereafter)
- ✓ There is to be a simplified application process for new loans
- ✓ Banks are to aim to ensure any moratoria will not impact on the customers credit rating
- ✓ Banks are to defer court proceedings for a period of three months
- ✓ Banks are to proactively support businesses with working capital facilities

* AIB, Bank of Ireland, Ulster Bank, KBC and Permanent TSB

04 The immediate impact of COVID-19 on the food and drinks market

Global Downturn

Gross Domestic Product (GDP) and economic activity statistics will lag real-time developments, but indicators are beginning to emerge. For example; between the 15th and 21st March, more than 3 million people filed new unemployment claims in the United States. Up to the start of March 2020, the total number had been 200,000.

Economic growth estimates from JP Morgan expect that the US, China and Europe will be in recession with two consecutive quarters of negative growth in GDP. In light of the economic downturn, several governments worldwide have introduced economic support packages, particularly to address unemployment.

Farmers across Continental Europe are raising concerns regarding manpower for seasonal arable and horticulture production in particular. In France alone, appeals are being made to people made redundant because of the current pandemic to fill some of the 200,000 farm labour vacancies.

Irish Downturn

In Ireland, the [ESRI](#) released a scenario model which expects global economic activity to recover significantly towards the end of 2020. Even with that assumption, the ESRI model expects the Irish economy to contract over 7%, and for unemployment to peak at over 18% later this year.

Job losses locally, and globally, have been most concentrated in the hospitality sector. It has been estimated that 100,000 hospitality sector workers lost their jobs in Ireland up to the end of March.



Developments in International Markets

Chinese ports have been operating at less than 50% capacity in recent months, with it understood that over 2 million containers are currently idle due to disruption. Shipping from China to Rotterdam has decreased significantly, with reports of over 20% of sailings being cancelled. This imbalance of container distribution and the reduction in shipping availability has increased the cost and logistical complexity of exporting to China and other parts of Asia, with freight rates up as much as 200%.

As **China** moves into recovery mode, other markets in Asia are still bracing themselves for a peak in cases, including **Japan** with the announcement of the cancellation of the Olympics. In China, food service outlets have reopened, albeit at much reduced business levels. However, according to a report published by McKinsey, 15% of Chinese consumers intend on dining out less after the crisis.

Some new consumer behaviours adopted during lockdown appear to be replacing pre-COVID-19 preferences, with consumers saying they shall be sticking to grocery, online and multiple retailers above local convenience and non-chain stores. More than a quarter of Chinese shoppers have shifted away from their primary store and almost 50% claim they do not intend on switching back. Additionally, online retailers in China, who before the crisis accounted for 13% of retail food and beverage sales, saw a 15-20% increase in penetration at the peak of the crisis. According to McKinsey 55% of Chinese shoppers have said that they will continue to shop online into the future.

Looking across **South East Asia, Thailand** has imposed a one-month state of emergency, granting the government broad powers to ban gatherings, order evacuations and declare curfews. Bangkok closed malls for 22 days from 22nd March with supermarkets the only exemption. **Singaporean** authorities have retracted short term visitor visas and are restricting re-entry to the country in favour of work permit holders who are providing 'essential services.' Bars, cinemas and all other entertainment outlets will be closed until the

30th April.

In the **Philippines**, while supermarkets and drugstores remain open, other formats and restaurants have been forced to close. This is expected to lead to reduced demand for both beef and pork imports.

International wholesale food markets like Rungis have been severely impacted by the lockdown, with their primary and secondary channels, foodservice and outdoor markets, closing in March. Further, while sales to independent butchers, cheesemongers and fruit and vegetable stores were buoyant, Rungis was bolstering multiple retailers supply chains as they struggled to match demand due to consumer stockpiling. In **London**, the Covent Garden fruit and vegetable market opened to the public and started selling to consumers online in light of the closure of foodservice outlets.

Developments in Europe

Retail

In **Continental Europe**, the majority of markets are in week 2 or 3 of lockdown with retailers putting in clear distancing measures with 'chevrons' on the shop floor to remind customers to keep their distance from others. Plexi-glass till fixtures have been installed at short notice, with staff wearing protective masks and gloves. Security staff have also been introduced at the entrance of stores in some markets to enforce hand and trolley sanitising. Other visible changes include payment types; changing with some vendors in **France** refusing cash and, in **the Netherlands**, the Dutch government has moved the limit for contactless payments from €25 to €30.

Retailers across Europe are also adjusting their opening times to better manage the new footfall peaks and troughs, with Saturday trading significantly down as consumers avoid traditional peak shopping periods. Fresh food (meat and seafood) counters are also progressively closing due to the lack of store personnel and also product handling concerns.

In **the UK**, British retailers have announced their commitment to change Terms and Conditions to pay suppliers more quickly, helping them to produce increased volumes on critical products. Elsewhere, other special initiatives have been implemented for consumers over 65; with some French retailers reserving early morning time slots for them exclusively, and some Italian retailers prioritising their online delivery services for the elderly. Similar fast track initiatives for health workers are in place, allowing them to skip queues when they show their hospital ID.

As consumers are now forced to plan their weekly shop, stockpiling and panic buying is starting to ease off in **Spain** and **France**, however, this still appears to be a significant issue in **Italy** and **Germany** due to queues. Out of stock issues remain in **Germany**, with consumers in large cities having to visit several stores to get their full basket shop. According to McKinsey, proximity is the new primary criteria for Italian shoppers due to the lockdown, with 20% fewer shopping trips but 50-60% higher basket values recorded in the week before total lockdown. In the **Netherlands**, some retailers are reporting that panic buying has ceased and GfK is forecasting that consumers will now start to focus on health and enjoyment as they settle into confinement.

With significant redundancies across Europe, medium-term consumer spending in retail is expected to reduce from the current peaks as consumers' disposable income is impacted.

Multiple retailers across Europe have put a halt to promotional

and price activity, to avoid any unnecessary sales uplifts in the current context. They have also taken steps in several European markets to replace their promotional print ads with ads thanking their staff and health workers. French retailers have also reduced the availability of online advertising space on their eCommerce sites to prioritise health and safety messages for consumers. Retailers in **Italy** have come out publicly calling on their suppliers to minimise contact with them and specifically stating that they won't be taking on new suppliers at this time.

From an online retail perspective, delays for online orders in **Italy** were reported to be taking 3-4 weeks, compared to 2 weeks during the second last week of March. In **France** courier services often used for online deliveries are being prioritised by the government for medical deliveries, further impacting the already long lead times for online orders. Elsewhere Albert Heijn in **the Netherlands** is limiting the basket size on their eCommerce site to €250.

Foodservice

In March foodservice outlets across Europe and the US had closed indefinitely, leaving both foodservice operators and wholesale suppliers with limited options to remain afloat in the short term. According to Rabobank, Europe's largest foodservice markets (including take-away and delivery) in value terms are Spain (€79billion), Italy (€77billion) and the UK (€70billion). Only a small percentage of revenue losses in these markets are expected to be off-set by home delivery as delivered foodservice is in its infancy in the region, accounting for €5billion of the total foodservice turnover in the UK, the most mature market for this format in Europe. Hence the projected monthly loss in revenue (ex. VAT) during lockdown represents approximately €2.4billion of lost sales for Germany and France, and approximately €4.5billion for Italy and Spain.

Foodservice wholesalers across Europe and the US are being forced to change their business models overnight with cash and carry in various markets getting derogations to open their outlets to consumers as well as catering professionals. This itself brings challenges as their Stock-Keeping Units (SKUs) are not in consumer formats and hence they are dependent on the agility of their suppliers. Often, they also need to redeploy telesales staff into their stores to bolster manpower in-store. The institutional catering channel's customer needs have also changed, with increased demand from hospitals. However since many central kitchens are closed, the demand is shifting towards ready prepared meals for patients and hospital staff rather than assembly ingredients.

Developments in Ireland

Retail

Retailers in the Irish market have instigated many of the same actions taken by markets earlier affected by COVID-19. Although Mother's Day saw strong 'occasion' sales, Easter is being seen as a critical gauge of consumer sentiment with retailers already planning for the increased likelihood of a recession and how this will affect consumer purchasing patterns for the months ahead. Value has already returned as a primary purchasing driver for Irish consumers, with private label benefitting strongly.

Bord Bia discussions with grocery chains in Ireland confirm that without exception, these retailers are open to supporting Irish suppliers as much as they can. Most have enacted improved payment terms for the short term. All have agreed to work closely with Bord Bia to identify new Irish suppliers or those who have done business previously with them, who can fill supply gaps, or propose a compelling value offer to consumers.

Foodservice

The Irish foodservice channel has experienced the same devastating impact on business seen in other markets. Nonetheless, pivoting to remain relevant can be seen, with some larger distributors offering a 'click n collect' service to consumers, while operators expand their home delivery and collection service.



05 Government Guidelines on Essential Services

The Irish Government's response to the COVID-19 pandemic has been led by the prioritisation of public health and welfare. This has resulted in the escalation of Government instruction for isolation and distancing to mitigate the spread of the virus.

On the 28th March further restrictive measures were introduced and apply until at least the 12th April 2020.

The key impact of the measures announced by Government is that everyone should stay at home.

However, there are exceptions for a number of categories of worker including virtually all employees relevant to farming and the food, drink and horticulture sectors. Specifically, the following categories of persons are not included in the stay at home instruction:

- The manufacture of food and beverage products
- Farmers - including for farming purposes, that is food production or care of animals
- Farm labourers
- Farm relief service workers
- Others involved directly or indirectly in crop and animal production and related activities (including veterinary services), and workers involved in fishing
- Wholesale and distribution services necessary for the sale of food, beverages, fuel, medicines, medical products and devices and essential household products; takeaways and food delivery services

These exclusions should mean that the domestic supply chain for food, drink and horticultural production should not be impeded by regulation to the extent of closure although social distancing measures will inevitably severely restrict production in many instances. Lack of demand may also have an impact on business health and so the following sections will deal with managing your business in challenging times.



Coronavirus COVID-19



Coronavirus
COVID-19
Public Health
Advice

If you have fever and/or cough you should stay at home regardless of your travel or contact history.

If you have returned from an area that is subject to travel restrictions due to COVID-19 you should restrict your movement for 14 days. Check the list of affected areas on www.dfa.ie

All people are advised to:

- > **Reduce** social interactions
- > **Keep a distance** of 2m between you and other people
- > **Do not** shake hands or make close contact where possible

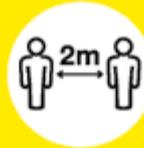
If you have symptoms visit hse.ie [QR](#) phone HSE Live **1850 24 1850**

How to Prevent



Stop

shaking hands or hugging when saying hello or greeting other people



Distance

yourself at least 2 metres (6 feet) away from other people, especially those who might be unwell



Wash

your hands well and often to avoid contamination



Cover

your mouth and nose with a tissue or sleeve when coughing or sneezing and discard used tissue



Avoid

touching eyes, nose, or mouth with unwashed hands



Clean

and disinfect frequently touched objects and surfaces

Symptoms

- > Fever (High Temperature)
- > A Cough
- > Shortness of Breath
- > Breathing Difficulties

For Daily Updates Visit

www.gov.ie/health-covid-19
www.hse.ie

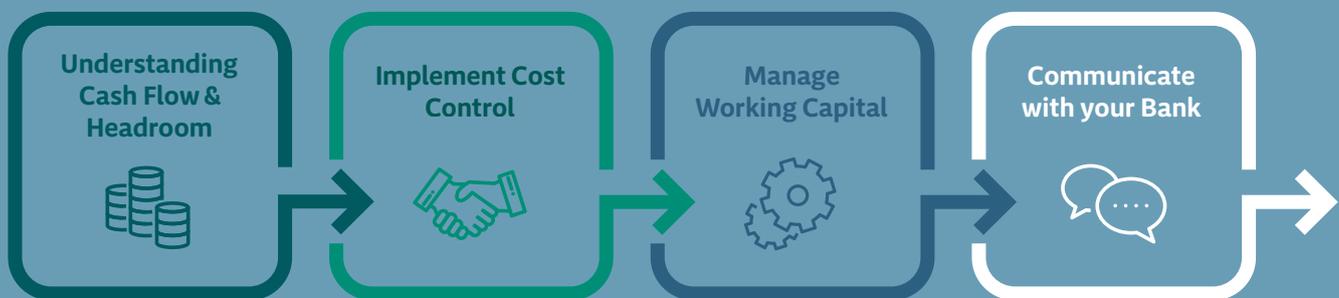
Ireland is operating a delay strategy in line with WHO and ECDC advice



Rialtas na hÉireann
Government of Ireland

06 Financial Management for your Business

The business impact of COVID-19 is severe for businesses right around the world. The restrictions placed upon the global population are unprecedented and almost universally destructive in their impact. Businesses will have to adapt rapidly to this landscape and in response to the pandemic, Bord Bia recommends taking the following actions to manage your business through a crisis:



Engage with your customers

It is important to engage with your customers at this challenging time. This can help maintain customer goodwill and may result in identifying sales opportunities.

Understand your Cash flow

Understanding your current cash position, committed debt facilities and forecasted cash flows should be one of the key considerations for every business currently:

- Understand your current position and your weekly cash needs;
- Prepare rolling weekly forecast cash flows, incorporating up to date assumptions regarding trading levels, and including sensitivities for further potential impacts on trade in the current environment;
- Calculate the cash headroom in the business through the forecast period from cash reserves and existing debt facilities; and
- Determine if there is a risk of cash shortfalls and/or covenant breaches in the weeks ahead that could impact your business.

Implement cost control measures

When trade is negatively impacted; managing profitability can be difficult for businesses and the implementation of certain cost control measures may be required:

- Analyse fixed and variable expenditure;
- Understand what costs you actually need to run the business;
- Develop a cost strategy (e.g. rationalise operating costs, consider rent commitments review headcount, reduce Capex, limit discretionary expenditure etc.); and
- Monitor any cost reduction initiatives taken.

Manage working capital

Businesses will need access to cash to fund ongoing operational needs and must consider the level of cash “locked-up” in working capital:

- Manage the businesses cash conversion cycle;
- Optimise the level of stock on hand where feasible, ensuring sufficient levels to meet expected demand but also that excess stock is not locking up cash;
- Monitor debtors and continue to focus on cash collection – failure to collect debtors may result in cash flow shortfalls;
- Evaluate tax payment obligations and supports available from Irish Revenue Authorities / Government Departments and State Agencies;
- Negotiate favourable terms with suppliers – keeping in mind their financial situation; and
- Carefully consider the credit worthiness of customers and suppliers before extending credit.

Communicate with your Bank

Communicate early and often with your bank/ lender as they may be the fastest source of additional liquidity in the weeks ahead:

- Communicate early to explain the situation – providing detailed weekly forecast cash flow information;
- Proactively engage with your Bank, who can assist you through a moratorium on existing facilities and/ or potentially the provision of additional funding;
- Be transparent; and
- Identify alternative sources of capital and Government supports available to businesses.

Government supports

Government has introduced emergency business supports aimed at shielding businesses and employment through the period of this pandemic. It is important that your business understands and avails of these supports. If you need guidance on these matters talk to Bord Bia, your accountant or lawyer to ensure you are availing of the supports established by Government to help sustain your business. Many of the Government initiatives are outlined within this Response Plan.



07 Supply Chain Management & Managing Disruption

The COVID-19 crises and its disruption of the supply chain, has highlighted to the world the need to ensure that each link in the chain is reviewed for risk exposure. Therefore, businesses need to gather and quantify information regarding key components of their supply chain.

While the resilience of key suppliers should be continuously assessed, the need to understand your current supply chain strengths and weaknesses is critical and urgent, due to the COVID-19 crises. As a business, you might have robust plans in terms of your systems, people and procedures during a crisis, but if your suppliers do not, then your business interruption can be severe. For this reason, we suggest you assess the following considerations in your supply line:

Consideration of Importance	Y / N	Consequence and Action
Do your key suppliers have documented plans for business unit continuity (for events like a pandemic or IT failure)		
Is there a back-up plan in your suppliers Business Continuity Plan for this particular disruption		
What is the criticality of time for the disruptive event		
Does the suppliers Business Continuity Plan address continuity measures for long periods of absence of critical staff and remote access		
Does your suppliers Business Continuity Plan ensure they analyse and mitigate risks in their supply chain		
Does your supplier have multiple service locations or are services and operations provided from a central location		
What are the recovery times for your suppliers "mission critical" processes – are they assessed		
Does your supplier have a Crisis Management Team who can effectively manage an event like an infectious disease outbreak		
Is there an established communications channel between your business and your suppliers such that early sight of issues is provided		
Does your supplier test the effectiveness of their business continuity processes periodically		
Is your supplier willing to share the outcome of their business continuity testing		
Does your supplier require their auditors (internal or external) to assess the robustness of Business Continuity of Information Technology Disaster Recovery		

The responses to the questionnaire above will allow you to assess the preparedness of your key suppliers to business disruption. If your assessment is that a key supplier is not adequately prepared then this raises your business risk. Immediate discussions with suppliers who are assessed as being weak on business continuity should follow and assurance sought and tested. If this is not possible or the assurances sought are not available then mitigation actions are required including assessing the possibility of securing continuity of supply from alternates.

Bord Bia has tailored [supply chain mentoring, publications](#) and [webinars](#) on supply chain management which are aimed at helping businesses plan for the impact of disruptive events like COVID-19, Brexit and others.



08 Impacts on your factory floor

COVID-19 will impact on all factory floors and Bord Bia advises all producers to strictly comply with HSE guidelines to mitigate the risk of the spread of the virus. The first thing to consider, is if you are providing an “essential service” – then working from home restrictions do not apply. Food and Drink production is a deemed essential service as well as farming. If you are providing an essential service, you should identify those employees (including sub-contractors and so on) who are essential to the provision of that service and notify them. This can be done by category of employee or by individual; it could include all employees of the organisation.

Welfare and safety at the factory floor level is an escalating concern as a consequence of COVID-19.

While COVID-19 is not a food-borne illness, the impact of the virus is likely to be felt in the manpower effects illness in the workforce. Businesses need to plan for back-up staffing in the event that an incidence of COVID-19, or the need for self-isolation of the businesses staff.

Where production continues it is an essential part of your risk management and business continuity planning that you install new fit for purpose procedures and controls on the factory floor. Bord Bia advises that employers should undertake a risk assessment to understand the likelihood of employees contracting the virus, which will depend on factors such as the nature and size of the business.

Government and World Health Organisation guidance specifies that:

Specifically, businesses should:

- Make sure their workplaces are clean and hygienic
- Surfaces need to be wiped with disinfectant
- Make hand sanitizers available throughout the workplace
- Make hand-washing facilities available and encourage regular cleaning of hands
- Promote good respiratory hygiene including displaying posters and instruction booklets
- Ensure your employees only undertake essential work travel and follow Government guidance on travel
- Try to ensure appropriate distancing of staff within the work environment – physical distancing is important with a distance between persons of at least 2 metres
- Encourage staff who can work from home to do so even if they are involved in the provision of essential services
- Staff should work in groups and zones so that if there is a confirmed case of COVID-19 that it can be contained to that zone or group with co-workers in that group immediately self-isolating
- Additional cleaning and sterilizing staff and materials should be on hand to deal with a COVID-19 issue
- Breaks and lunch time rests should be staggered to avoid all staff being in canteen facilities at the same time
- Where circulation space is limited additional temporary accommodation should be deployed
- Movement of staff between plants and within zones of plants should be minimised to absolutely essential movements only
- Sharing of travelling to and from work should if possible be avoided
- Personal protective equipment should be used for employees in close physical proximity

Government guidance to employees includes:

- If your employer notifies you that you are an essential employee, or that you belong to a category of essential employees, you are permitted to travel to and from work
- When travelling to and from work, you should at all times bring with you either a work identification or a letter from your employer indicating that you are an essential employee, as well as one other form of identification
- If you are self-employed, a farmer or agricultural worker, you should carry one form of identification with you at all times

Considerations for food business owners & COVID-19 issues

The Food Safety Authority of Ireland (FSAI) have extensive guidance for [food producers](#), food service and food retailers in the context of the challenges of COVID-19. An extract from their guidance on disruption to supply chain and alterations to ingredients and packaging is as follows:

Due to a disruption in their supply chain, certain ingredients and packaging might be in short supply and food businesses may be considering some of the following:

- Leaving out or substituting ingredients in a product
- Changing their packaging
- Changing their process

In these situations, it is important that food businesses remember their legal obligations to only place safe food on the market.

Any change to product, packaging or processing requires a full review of the businesses food safety management system (GHP and HACCP).

This will allow them to:

- Risk assess any food safety issues that could result from the proposed changes
- Put in place controls to manage any risks identified
- Document the changes

Examples of issues to consider include:

- The introduction of allergens when changing ingredients and/or ingredient suppliers
- Safe shelf-life if packaging changes and/or the product is formulated differently
- The introduction of new microbiological, physical, chemical hazards with new ingredients

There may be other issues depending on the type of business/product involved.

For food businesses using processing equipment:

If the supply chain for spare parts is unavailable, be careful to not compromise the safety of the food by using improvised solutions.

Further guidance on workplace health & safety:

[Health and Safety Authority – Workplace safety procedures](#)

[World Health Organisation – Getting your workplace ready for COVID-19](#)

09 Managing your workforce

For almost all businesses, its workforce is its greatest asset. For many businesses it is also one of its largest expense items. During a period where demand is turned off with such speed and ferocity, it can be difficult to keep staff gainfully employed and busy in their roles. For some businesses in order to avoid large losses and a collapse of their balance sheet value, they will need to take measures to reduce payroll costs. Government is anxious to minimise the impact of this pandemic on business and so is encouraging employers to retain their employees by providing a new special incentive wage support scheme for COVID-19 impacted businesses. The objective of this scheme is to ensure there is an engaged workforce ready to re-enter the workforce when the restrictions around contact and collective gatherings are back to normality.

It is important that you understand these incentives and provisions and Bord Bia advises you to take your accountant's advice if you are not fully familiar with the provisions.



Revenue - Wage Subsidy Scheme

The Government have published details of the Temporary [Wage Subsidy Scheme](#). It provides for a significant increase in the €203 per employee payment that previously applied. The new scheme will be operated in two phases.

Phase 1 is a transitional phase during which employers will be refunded up to a maximum of €410 for each qualifying employee from 26 March 2020.

However, it is important to note that, where the €410 Revenue payment in Phase I exceeds the maximum subsidy amount due in respect of that employee using the Phase II metrics (e.g. because it exceeds 70% of the average net weekly pay for that employee), the excess is refundable by the employer to Revenue.

It is anticipated that this clawback will be offset against subsequent refunds due to the employer.

Phase 2 will take effect from 20 April 2020 and the refund will be calculated as follows:

- Capped at the level of 70% of previous average weekly take home pay, to a maximum of €410 per week,
- Capped at €350 for employees where the average net weekly pay is greater than €586 but less than €960.
- No subsidy will be paid where net take home pay exceeds €960 per week.

Revenue have indicated that "Average Net Weekly Pay" should be calculated as follows:

- Take the employee's Gross pay for every pay period in January and February 2020.
- Subtract the Income Tax Paid, USC Paid and Employee PRSI Paid.
- Total this figure for each pay date in January and February 2020 and divide this by the number of insurable weeks (capped at 9) for the period.
- This gives you the employee's average pay that is to be used for the subsidy amount.

The new scheme will be operated through employers' payrolls (similar to the previous COVID-19 Refund Scheme).

Revenue have stated that reimbursement will be, in general, made to the employer's bank account within two working days of receipt of the employer's payroll submission.

Unlike the previous scheme, employers **will be allowed** to top up this payment. However, the total net payment received should not exceed the employee's previous average weekly take home pay. If the employer makes an additional payment greater than the 30% difference allowed by the scheme (i.e. the employee receives more than the average net weekly pay) then the subsidy value refundable to the employer will be reduced by this excess amount when the refund reconciliation is being performed.

The net effect of the new scheme is that laid off employees, or employees on reduced hours or wages, will be initially able to receive the equivalent of their previous average net pay by way of a government subsidy up to a maximum of €410 per week.

Neither PAYE nor USC will be applied to the subsidy payment through the payroll process. However, any employer top-up payments should be subject to both PAYE and USC.

Employee PRSI will not apply to the subsidy or any top up payment by the employer.

Employers PRSI will not apply to the subsidy and will be reduced from 10.95% to 0.5% on the top up payment.

While the subsidy payment will not be subject to PAYE, USC or PRSI (for both employer and employee), it will remain taxable in the hands of the employee. We are expecting specific guidance from Revenue on how the tax due on income will be collected outside of the payroll process.

Qualifying Conditions

To qualify for the scheme, employers must:

- Be experiencing significant negative economic disruption due to COVID-19
- Be able to demonstrate, to the satisfaction of Revenue, a minimum of a 25% decline in turnover or in customer orders received in Q2 2019
- Be unable to pay normal wages and normal outgoings fully
- Retain their employees on the payroll, and
- Have the firm intention of continuing to employ their employees, and making best efforts to pay the employee some of their earnings

The Scheme is confined to employees who were on the employer's payroll as at 29 February 2020, and for whom a payroll submission has already been made to Revenue in the period from 1 February 2020 to 15 March 2020.



Employer Eligibility and Supporting Proofs

The scheme is available to employers across all sectors (excluding Public Service and the Non-Commercial Semi-State Sector). To qualify for the scheme employers must be experiencing significant negative economic disruption due to COVID-19.

Employer eligibility will be on a self-assessment basis but with a requirement to make a declaration when applying for the Scheme.

Revenue have advised that the employer declaration is "simply a declaration which states, that based on reasonable projections, there will be, as a result of COVID-19, a decline of at least 25% in the future turnover of, or customer orders for, the business for the duration of the pandemic and that as a result the employer cannot pay normal wages and outgoings fully but nonetheless wants to retain its employees on the payroll."

It should be noted that, in Revenue's opinion, the declaration by the employer **is not** a declaration of insolvency.

Revenue have stated that key indicators that an employer is experiencing significant negative economic disruption would be indicators such as a decrease or likely decrease in employer's turnover by 25% in Q2 2020.

This reduction is to be determined by the employer on a self-assessment basis and there is no requirement to make any upfront submissions to Revenue. Revenue have indicated that this determination may be based on:

- Decline in orders in March 2020 compared to February 2020;
- Likely turnover of Q2 2020 compared to Q1 2020;
- Likely turnover of Q2 2020 compared to Q2 2019; and
- Any other basis that is reasonable.

Revenue have stated that there will be a risk focused follow up verification involving an examination of relevant business records where that is considered necessary.

Wage Subsidy Scheme Summary

The new [scheme](#) represents a significant improvement on the previous COVID-19 Refund Scheme and will help to maintain incomes for employees who have been laid off at a level which is closer to their previous net earnings. Unlike the previous scheme, employers will be permitted to top up the payment. Where employers are in a position to make a top up, this should permit the payment of a weekly income that will in many cases be the same or close to previous weekly take home pay. It is important to note that from April, the wage subsidy will be capped at the level of 70% of previous average weekly take home pay, to a maximum of €410 per week, and that no subsidy will be paid where net take home pay exceeds €960 per week.

[Further details and updates are available here](#)

Payroll Tax Submissions / Deferring Payment of Payroll Taxes

Revenue have stated that taxpayers should continue to file their tax returns even if payment of the resulting liabilities, in whole or in part, is not possible.

While taxpayers are advised to pay tax liabilities if at all possible, Revenue have stated that they recognize that tax payment difficulties are an inevitable impact of the COVID-19 pandemic.

Accordingly, Revenue have put in place the following measures, relevant to payroll taxes, to assist taxpayers who are experiencing tax payment difficulties:

- All debt enforcement activity is suspended until further notice.
- The application of interest on late payments is suspended for all SME businesses in respect of both February and March PAYE (Employers) liabilities. Revenue will continue to issue updated guidance to businesses in good time before future returns are due.
- *For these purposes, an SME is a business with a turnover of less than €3 million who is not dealt with by either Revenue's Large Cases Division or Medium Enterprises Division. SMEs are managed by Revenue's Business Division.*
- *For these purposes, an SME is a business with a turnover of less than €3 million who is not dealt with by either Revenue's Large Cases Division or Medium Enterprises Division. SMEs are managed by Revenue's Business Division.*
- Businesses, other than SMEs, who are experiencing difficulties in paying their tax liabilities should contact Revenue.
- Revenue have stated that with early and meaningful engagement, they can generally agree payment arrangements that are acceptable to both the business and Revenue. Where requesting to defer a tax payment as a result of circumstances presented by COVID-19, Revenue have provided a specific form to be completed and submitted to the Collector-General's Office via the Revenue ['MyEnquiries'](#) facility on [ROS](#). The Collector-General's office will review each application and decide on the most appropriate action on a case-by-case basis.



COVID-19 Unemployment Benefit FastTrack

- If employees are laid off and the employer can't pay you for a period of time an employee can apply for a special COVID-19 Pandemic Unemployment Payment.
- The payment is available to all employees and the self-employed who have lost employment due to the pandemic.
- The payment is €350 per week. This enhanced payment will be in place for a period of 12 weeks.

Sick-pay support

When a worker is told to self-isolate by a doctor or the HSE or has been diagnosed with COVID-19 (Coronavirus) by a doctor, they can apply for an enhanced Illness Benefit payment of €350 per week.

To be eligible for this payment a person must be confined to their home or a medical facility.

To receive the enhanced payment, you must be:

- Self-isolating on the instruction of a doctor or the HSE or diagnosed with COVID-19 (Coronavirus)
- Be absent from work and confined to your home or a medical facility

The personal rate for this payment is €350, as compared with the normal Illness Benefit rate of €203. It was originally set at a rate of €305 but it was increased by Government on March 24.

It will be paid for a maximum of 2 weeks where a person is self-isolating and for a maximum of 10 weeks if a person has been diagnosed with COVID-19 (Coronavirus). If a person has been certified for less than 10 weeks they will be paid for the duration of their certificate.

10 eCommerce and Digital Marketing

COVID-19 presents many challenges to business across the world. The surge in online sales has led many food brands to consider selling online for the first time, or looking to digital to provide competitive advantage they have lost in other channels. While it may seem like an obvious step to take, eCommerce requires some expertise and a lot of resources to get right.

Digital Transformation has in essence 3 main aspects to enhance the organisation and sales of a food, drink or horticulture business:

- To ensure the unique story / innovativeness of the product, the competitive position of the organisation is enhanced to create new markets and stimulate new business
- To enhance end to end process to thus ensuring ease of working processes within the organisation and to deliver on objectives
- To enhance the experience of the personnel, partners and customers accessing the business systems to maintain partnerships both with suppliers and customers.

With a growing inability to travel to suppliers and customers, particularly in international markets, the need for e-commerce solutions (and the associated digital promotion) is now more obvious than ever. The trend in recent years has been towards online and e-commerce and experts believe this crisis will be a catalyst for this trend to escalate. Bord Bia, [through the Think Digital programme](#), can assist you to develop your skills in digital promotion so you can build an effective strategy with your sales channels and associated promotional content.

The following guidelines are the basic principles to understand how to develop an eCommerce platform **direct to consumer**.



What do I need to consider before I start?

Before you begin to invest time and resources you need to ask, and answer, a number of questions:

- What is my motivation to sell online? Short term response or long-term strategy?
- What is the (realistic) size of the opportunity for my business?
- Given the size of the prize, what's the "opportunity cost" of going online, i.e. what will not be done while I'm developing my online business?
- Do I have the resources to sell online? The staff, the IT infrastructure, the internal processes etc.
 - If not, do I have the time and the budget to put them in place?
- Stock management – am I able to manage my stock inventory with a new channel? Do I prioritise orders? What is my delivery plan? Does this fit into existing stock, raw material or supply chain operations I currently have for our 'traditional' channels?

If you can satisfactorily answer all of the above, then you should consider taking the first steps, if not, you need to seriously reassess whether or not selling online is the right move for your business today.

The first thing, you need is a website. Assuming you have that you'll need to add eCommerce functionality to your website to enable customers to buy products securely from your business.

The quickest and easiest way to do this is add an **eCommerce platform** to your existing website. This platform will be fully integrated with your existing website and will give you all the capabilities you need to start selling online.

Which eCommerce platform should I implement?

There are a vast number of eCommerce solutions out there, so the trick is to find the one that best suits your needs. Some platforms can cost thousands of euro and take weeks to implement but equally there are some that can be set-up very quickly, without requiring external support. The basic eCommerce requirements include, catalogue creation & management, secure payment management, order processing and system integration.

Large eCommerce operators will require a very robust solution that will allow seamless integration into multiple systems. They will need to facilitate thousands (and in some cases millions) of daily transactions and will manage complex workflow. It is unlikely that companies with lower anticipated rate of sales will need this level of support and if you're not careful you could end up with a solution that is very expensive, complex and not suited to your requirements.

The main things to consider when you're selecting a platform include:

- How many products will I be selling?
- How many transactions do I expect to handle per day?
- What do I need to it to integrate with? e.g. website, logistic software etc.
- How much can I spend?

What about a Hosted eCommerce Platform?

For most companies starting out, the volume of orders will be relatively low and easy to manage. This being the case you're probably best to look for a "Hosted eCommerce Platform". This solution will give all the basic functionality that you need, with limited IT costs or effort. These tend to be an all-in-one solution. The market leaders in the hosted eCommerce Platform space are [Shopify](#), [Woo Commerce](#) and [Big Commerce](#)

As the name suggests, your provider will "host" your eCommerce functionality (in much the same way that Wordpress might host your website). With hosted solutions, your application is hosted remotely (in the Cloud), rather than on your own servers. This substantially reduces costs and effort to maintain, making hosted solutions the ideal option for SMEs or companies starting out. They also come with a range of easy to implement functions designed to make it easy for small companies to get started and scale as required. To put it simply, hosted platforms lower the technical barriers for entry into eCommerce for many companies with the cons of limiting personalisation of self-hosting. Hosted eCommerce platforms have been specifically designed for easy integration with websites.

For larger companies, with IT and web development teams in place "Self-Hosting eCommerce software" gives you the basic code needed to build and develop your own system. It can give a level of flexibility and personalisation that some companies require- but does need the internal knowledge base, time and resources to implement.

How do I know my eCommerce website is secure?

All of the eCommerce platforms are [Payment Card Industry \(PCI\) compliant](#), meaning they meet all of the requirements to keep payment information and business data safe. You, as the store owner, have the ultimate responsibility to maintain PCI compliance, but as it is such a fundamental part of their business, it is something that the providers are always on top of. It is also important to note the latest [GDPR and personal information regulations](#) when you managing customer information.

How do I add my products to my online shop?

Adding products to your eCommerce store is one of the basic functionalities and again all eCommerce sites are designed to handle it. It is generally done in one of two ways; manually (drop and drag functionality usually include within most plugins) and bulk imports (if you have a large number of SKUs)

No matter how many products you have, give as much product information as possible including photos, videos, and serving suggestions where possible.

When creating content for your product catalogue keep a few things in mind:

- What basic information will people need to find and identify the product they want?
 - Use clear product names, not codes or serial numbers and be consistent
- Do you have product variations?
 - Different sizes, flavours or packaging?
- If so, how do you manage them?
 - Do you have one main product and then make the different sizes available via a dropdown?
 - Do you have a separate main product for all variants?
- Do you need an ingredient list, including sources?
- What about allergens?
- Do you have recipes or serving suggestions?
- Add Shipping & Storage information
- Have you considered “bundles”?
- You may be in a position to offer “multi-buys” or recommendations of products that are complimentary and frequently bought together. This will help to increase basket size and can spread the shipping costs across a range of products.

My shop is ready, how do I get traffic?

Getting traffic to your online shop is the same as getting it to your website. The only real differences are that you are looking to “convert” your traffic to sales. Many people visiting your site will be looking for information, not to buy, especially if you’ve only just started selling online. Bringing people to your website can be expensive and conversion rates can be as low as .05%, so don’t be too downhearted if you initially see lower than expected traffic to the eCommerce part of your site and low conversion rates.

1. **Organic Traffic:** Organic traffic is the best, if you can get it. Search Engine Optimisation (SEO) is still key, so correct tagging on all product pages is essential and again your eCommerce platform can help with this. The more product information the better for SEO.
[For more information on SEO see this Google guide](#)
2. **Paid Search/ Google Ads** Even with good SEO, you’ll probably need to pay for traffic through Google Adwords, Display network etc. Again, same as for your website, but you need to be very selective in the key words you use as the traffic you get may be expensive and may not convert. This Google Guide will help you get started [Grow your business with Google Ads](#)
3. **Social Media:** Social media, especially Facebook and Instagram can be an excellent way to get traffic to your website, especially when you already have a strong social media presence.
 - Facebook Ads can be an alternative to Google Ads and it’s worth testing both to see which works best for you. There are also a range of plugins available through your eCommerce platform which will allow you to sell directly through Facebook and Instagram. Conversion through these plug-ins tends to be lower but it can be worth trying out.

For more information on how best to utilise Facebook and Instagram [check out this Bord Bia webinar masterclass](#)

I've made a sale, how do I manage payment?

In Ireland, unlike other markets like where “cash on delivery” and cheques are still used, all payments will be by credit/debit card. The most popular payment methods for small business are [Pay Pal](#) and [Stripe](#). Both are easy to implement through your eCommerce platform. The fees on Stripe are a little lower, but you'll have to wait longer to get your money.

If you have a larger volume of transactions the cost can be lower if you go through a “payment gateway” like [Elavon](#), Anything over 350 transactions per month will start to bring you into the scope of these payment gateways. Prices vary and can had on application as they are not generally shown on the company websites.

My customer has paid, what next?

Once you get an order, the work has only begun, it needs to be managed end-to-end. The main steps are as following. They will be different for all businesses and will require further work once you go live. As with almost all other topics in this area, your eCommerce platform has been designed to manage all of these, so there are lots of useful tools to help.

- Order acceptance
- Pick & Pack
- Delivery
- Returns EPOS
- Stock Management
- CRM & Post Purchase

By understanding these principles, you should be in a position to make a decision on whether eCommerce is a viable business solution for your products and whether it can deliver on your business objectives.

For further information on specific Digital Marketing supports available to Bord Bia clients or for more detailed eCommerce guidelines please contact:

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IRISH FOOD BOARD



Rialtas na hÉireann
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