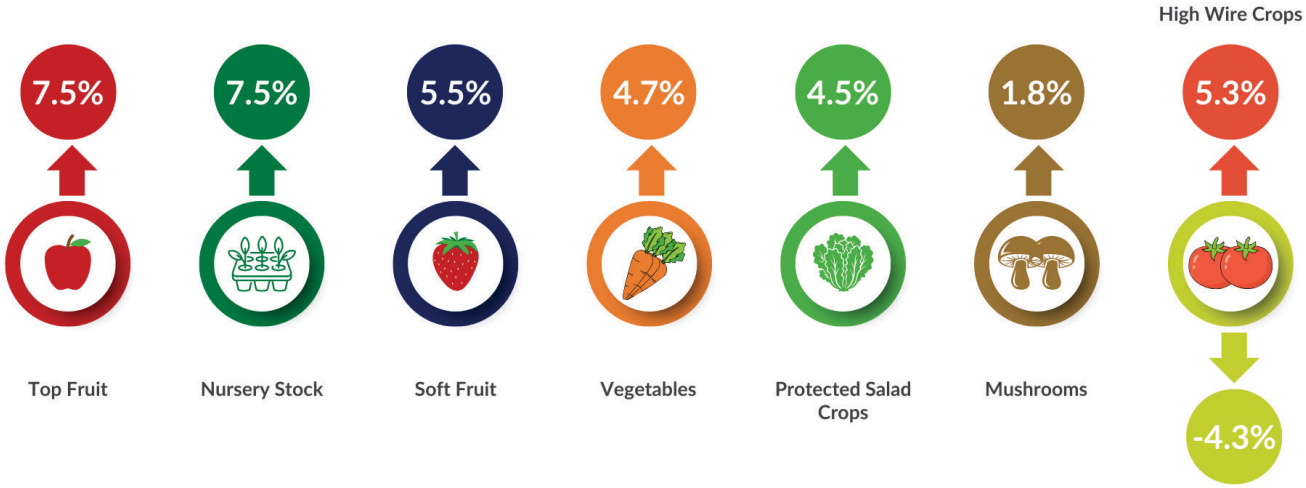
Agriculture and Food Development Authority

Horticulture Development Department

Horticulture Crop Input Prices 2026

- The cost of producing Horticultural crops in Ireland is estimated to have increased on average by 3.9%, from January 2025 to January 2026
- Labour continues to be the most significant input in the production of horticultural crops and since 2020, it has increased as a proportion by 3.9 percentage points to 43.4% of input costs
- Fertiliser costs in the horticultural sector are reported to have increased 10.1%, with some speciality fertiliser used in containerised production increasing by 27% (January 2025 to January 2026)
- While 2025 was a positive growing season, rainfall at the end of 2025 and beginning of 2026 has significantly increased the costs of harvesting winter crops and affected crop quality and increased washing and packaging costs
- Since 2020, there has been significant inflation in Horticultural Input production costs, now averaging 76.2% across subsectors
- Data would indicate that since 2020, retail prices for horticultural produce have grown significantly less quickly than the corresponding production input cost inflation
- Since early March 2026 geopolitical events have resulted in additional inflationary pressures on horticultural inputs, such as transport surcharges, fertiliser costs and gas prices. These increases will need to be added to the stated input inflation detailed in this report
- The cost of natural gas has increased by 54% from January 2026 to March 2026, significantly impacting protected vegetable and fruit growers, who require gas for heat particularly in the early months of the year
- The rapidly increasing input costs since March 2026 will need to be absorbed equitably across the food supply chain to avoid further reductions in the Irish grower base
- Margin over costs for primary producers will need to improve, as well as longer term sourcing agreements to incentivise investment and allow generational renewal of businesses, as well as allowing business to cope with significant environmental and geopolitical events.

2026 Input Cost Inflation/ Deflation



Introduction

Key Objective

The key objective of this report, as with previous reports is to surface up-to-date facts about specific inputs prices in January 2026 compared to January 2025. This is an important exercise, as prices negotiated now for product delivered in 2026 will need to reflect these increases in variable costs along with other considerations producers need to cover production costs. However, given current (at the time of publication) geopolitical uncertainty, we have included commentary on the increasingly volatile prices of key inputs since March 2026, as they are extremely significant for input costs in the 2026 season and include critical inputs such as Energy and Fertiliser.

This report takes account of the most important and the relative importance of inputs to the different sectors of horticulture production arriving at average increases in input prices in each sector for 2026. The report also comments on the status of each sector and potential impacts of very high input prices for primary producers now and for the rest of 2026 season. This is now the sixth report of this type, first produced in 2021.

Methodology

Across the various farm sectors, including horticulture, access to timely official data on input prices, remains a challenge across Ireland and the EU. Official data sources tend to lag behind the actual market situation. It is therefore necessary to reference additional data sources, industry expertise and direct contact with stakeholders to form an up-to-date assessment of input prices to empower producers trying to maintain margin over costs. Through direct contact with primary producers, product and service suppliers, producer organisations and other state agencies, we have assessed the real input price increases across a myriad of inputs in the main horticulture sub-sectors, as currently quoted to the sector. For the purposes of this report, Input costs refer to critical expenses incurred in to produce crops. These include variable and some fixed costs (such as labour)

because of the highly labour-intensive nature of the sector. We have assessed the relative importance of inputs to sectors, and calculated percentage increases between January 2025 and January 2026. We have also directly engaged with companies supplying products and services to the horticultural sector.

Note: While every effort has been made to reflect the reality for a grower in a particular sub-sector, it should be noted that there is significant variation in the shape and size of production facilities, product mix and average price. Since 2024 protected salad crops and High Wire Crops have been separated out as individual sectors, and in the reports 2021-2023 they were included as a combined Protected Crops sector. In 2026, we have reported on the following sectors: **Field Vegetable, High Wire Crops, Protected Salad Crop Production, Mushroom Production, Soft Fruit, Nursery Stock and Top Fruit (apples)**. While averaging has been used to best express the increases in input prices, it may not accurately reflect the actual increases for specific growers or crops. We have limited the exercise to production facilities and primary producer facilities. It has not been possible to cover all enterprise types or sub-sectors in this analysis.

Background

The challenges faced by the Irish Horticultural sector are varied and can be local, such as climate impacts or international, such as disruptions to the supply of key inputs like energy, fertiliser and growing media. The 2026 season has commenced in a very challenging fashion, with significant rainfall from October 2025 continuing up to February 2026 impacting on the costs associated with the harvesting of root crops such as carrots but also brassica and allium crops. Crop quality has been affected, and the costs associated with washing and packaging increased significantly. Best evidence indicates that events such as those experienced in 2023/2024 and 2025/2026 are likely to increase with heavy precipitation events in Autumn and Winter predicted to increase by 5-19%[4]. While conditions have improved into March, the similarity to the 2024 growing season where field operations were extremely affected and delayed and prevailing low light levels affected all crops is of concern to growers, particularly following the relatively positive 2025 growing season. In 2026, consistent with previous years, growers have again reported significant increases in labour costs. **Labour is a key input in the horticulture sector and represents on average 43.4% of total input costs and labour costs have been reported as increasing between 5.1% - 7.2% depending on horticultural sub-sector.**

Current geo-political issues in the middle east have caused an immediate increase in energy prices, particularly natural gas and marked gas oil, however further disruption in relation to fertiliser supplies, packaging and supplies of growing media such as coir is leading to significant concern and growers are being notified of additional surcharges and price increases to key inputs. This report typically compares price changes from January to January each year, however given the significant changes in costs from January to March 2026, some further context has been included, specifically in relation to gas costs. **The average daily natural gas price in January 2026 has increased from 84p (GBp/thm)[5] to 129.9 (GBp/thm)[5] in the first 2 weeks of March.** Several growers have also received notice of energy surcharges on orders placed in 2025 for items such as growing media and packaging material. These and other factors which are influenced by current issues in the Middle East which will impact on input cost prices above the reported increases in this document.

As input costs continue to rise, another key challenge the sector faces is profitability and the ability to secure prices that allow growers to not only cover their immediate costs, but also for both reinvestment in the business and the ability to survive external shocks. As the Teagasc Input Cost Reports were first published in 2021, comparing the input cost increases from 2020 to 2021, we have taken 2020 as a base year to calculate the overall input cost inflation, and compared it to the consumer price[3] inflation for several crops on January 1st of each year and July 1st (Irish production season) (Table 1). In a key sector such as mushrooms, the cost of inputs has increased 78% since 2020 (Table 2), however the consumer price data indicates that the price of mushrooms per Kg has increased just 18% (22% based on a July comparison). Similarly in the Field Vegetable area, input costs are estimated to have increased 77% since 2020, however the consumer price data indicates that the price of broccoli per Kg has increased just 22%, carrots 18.3% and onions 44.9%. When comparing July figures (2020-2025) when more Irish vegetable produce would be available the input inflation in the field vegetable area is 69.3% with the consumer price data indicates that the price of broccoli per Kg has increased 34.9%, carrots increased 21.4% and onions 40.2%. Finally, a High Wire crop such as tomato has increased just 12.8% (July), but the input costs have increased 107.6% in the same period. Obviously, consumer price figures include both imported and domestically produced products, so it is possible that domestically produced fruits and vegetables have received higher price increases than are reflected in this data, however there is a significant margin between the reported input and consumer price inflation.

Table 1: Comparison of Consumer Price subindex data to Teagasc Input Cost Report data since 2020

Crop	Consumer Price (€/Kg)		Consumer Price Increase[3]	Teagasc Input Reports	Consumer Price (€/Kg)		Consumer Price Increase[3]	Teagasc Input Reports
	2020 (Jan)	2026 (Jan)	Jan 1st 2020 - Jan 1st 2026	Input Inflation (2020 - 2026)	2020 (July)	2025 (July)	Jul 1st 2020 - Jul 1st 2025	Input Inflation (2020 - 2025)
Broccoli	2.88	3.52	22.2%	77.2%[1]	2.55	3.44	34.9%	69.3%[1]
Carrot	1.15	1.36	18.3%	77.2% [1]	1.12	1.38	21.4%	69.3%[1]
Mushrooms	3.71	4.38	18.1%	78.5%	3.64	4.44	22.0%	75.3%
Onions	1.18	1.71	44.9%	77.2% [1]	1.22	1.71	40.2%	63.9%[1]
Tomatoes	3.31	3.67	10.9%	98.6%[2]	3.29	3.71	12.8%	107.6%[2]

Increases in price received by growers will have to increase to reflect the reported input price inflation but also to provide margin to de-risk the business model with regard to the vagaries of climate, incentivise generational renewal and allow margin for additional capital investment to mitigate these headwinds, in addition to managing unforeseen geo-political issues which can rapidly skew input costs.

[1] Broccoli, Carrot and Onions are compared against the standard input inflation figure for 'Field Vegetables'
[2] Tomatoes are compared against the 'High Wire Crop' inflation figure
[3] Agri-Food Regulator Horticulture Dashboard - Accessed on March 18th 2026
[4] Nolan and Flanagan (2020) High-resolution Climate projections for Ireland – a Multi-model Ensemble Approach. EPA Report No. 339
[5] GBp/thm is defined as the price in Great British Pence (GBp) per unit of heat energy (Therm) for natural gas. A therm is a non-SI unit, reflecting approx. 100 cubic feet of natural gas. It defines the cost of heat, not gas volume, as natural gas density can vary.

Table 2 summarises the inflation on variable costs (including labour) experienced by horticulture sub sectors since 2020. In general price increases obtained by the sector have not kept pace with the year-on-year inflation in input cost prices.

Table 2: Inflation on input prices by sub-sector utilising 2020 as the base year

Horticulture Sector	2020 %	% Increase 2021	% Increase 2022	% Increase 2023	% Increase 2024	% Increase 2025	% Increase 2026	Increases Since 2020
Mushrooms	100	10.5%	18.5%	10.2%	12.8%	7.7%	1.8%	78.5%
Nursery Stock	100	12.4%	13.0%	10.8%	5.4%	4.2%	7.5%	66.2%
Soft Fruit	100	13.6%	14.0%	7.7%	4.3%	6.3%	5.5%	63.1%
Top Fruit	100	11.1%	16.0%	9.6%	6.3%	7.5%	7.5%	73.5%
Vegetables	100	12.4%	26.0%	7.9%	5.1%	5.4%	4.7%	77.2%
High Wire Crops	100	17.7%	49.0%	2.8%	0.3%	14.8%	-4.3%	98.6%

Key Horticulture Inputs

Table 3: Relative importance of inputs as a percentage of total input costs in 2026

Horticulture Sector	Labour	Packaging	Fertiliser	*CPP	Energy	Compost/GM/ Land Rental[1]	Other
Mushrooms	45.6%	7.9%	0.0%	1.3%	6.3%	33.7%	5.2%
Nursery Stock	43.9%	4.7%	5.9%	5.8%	6.0%	5.4%	28.3%
Soft Fruit	44.6%	4.9%	5.0%	4.9%	12.2%	10.4%	18.0%
Top Fruit	46.4%	8.8%	2.3%	14.8%	3.2%	0.0%	24.5%
Vegetables	40.2%	5.0%	7.1%	4.6%	5.2%	13.7%	24.2%
Protected salad crops	40.3%	8.6%	6.1%	4.8%	6.2%	16.6%	17.4%
High wire crops	42.8%	5.2%	3.2%	1.9%	18.5%	10.8%	17.6%

[1] *Compost or Growing Media; Land Rent and Machinery Maintenance; Growing Media, Seed and/or Plants*
**Crop Protection Products*

Labour

Horticulture is a labour-intensive sector, and while significant investments by growers have and continue to occur to reduce the sectors dependence on manual labour, particularly harvesting, it is unlikely to change in the medium term. In 2026, it is estimated that labour costs will constitute 42.6% (Range: 40.2% to 46.4%) of the total input costs across the 7 sub-sectors of Horticulture surveyed in this report. The first of these reports was published in 2021, comparing the cost increases from 2020 to 2021, and since then 6 reports (including this one) have been conducted (2020-2026). Labour as a proportion of the input cost has increased by 3.9 percentage points (39.5% to 43.4%), indicating that it is increasing as the main input cost in horticultural production..

Within Budget 2026, several announced measures will increase labour costs for growers:

- National Minimum Wage: From 1 January 2026 the adult national minimum wage increased by €0.65 per hour, from €13.50 to €14.15 — a 4.8% rise.
- Employers' PRSI: Employer PRSI rose from 11.15% to 11.25% on 1 October 2025, with a further scheduled increase to 11.4% on 1 October 2026.
- Pension auto enrolment: Employers will incur an additional employer pension contribution of 1.5% under the planned auto enrolment scheme.

For this reporting period, an average increase across all Horticultural subsectors of 6.2% (5.1% - 7.2%) is reported. The hourly percentage increase in the National Minimum Wage is 4.81%, however when pension auto-enrolment and other factors are considered, the effective hourly increase for growers is 6.2% (€15.71 to €16.69 per hour).

Several sectors utilise the General Employment Permit (GEP) and a clarification on the Minimal Annual Remuneration rates Road Map was announced in 2025 up to 2030[6]. The MAR thresholds for Horticultural worker permits granted or renewed after March 1st, 2026, will rise by 9% (€30,000 to €32,691). The 'sub-standard' MAR thresholds, of which horticulture was one sector availing of this mechanism will be phased out by 2030, rather than by 2026 under the original roadmap. In January 2027, revised changes to the Minimum Annual Renumeration will increase to 92.5% of the General Employment permit, bringing this to €33,860 (92.5% of €36,605)

Unlike many European countries, Ireland does not currently operate a form of seasonal employment permit. A pilot of a Seasonal Employment Permit was run in 2025 by the Department of Enterprise, Trade and Employment, and that pilot is currently being reviewed. At the time of publication, no update on a future Seasonal Employment Permit scheme was announced.

There are other costs associated with labour that cannot be captured within our data gathering. Costs associated with recruitment, advertising and staff retention have been reported as increasing, as well as other costs such as assisting staff with accommodation, transit to and from their workplace, visa applications, and other welfare services to staff. Also not included in our staffing costs are other costs, such as employers' liability insurance, which many growers now view as an essential necessity.

[6] *Department of Enterprise, Tourism and Employment publication: Employment Permits Minimum Annual Remuneration - Outcome of the Roadmap Review 2025*

Table 4: Labour unit price inflation Jan 2025 v Jan 2026

	Based on 40 Hour Week				Based on 39 Hour Week	
	2023 [3] (NMW)	2024[4] (NMW)	2025[3] (NMW)	2026[6] (NMW)	2025[7] GEP	2026[8] GEP
Hourly Rate (€)	€11.30	€12.70	€13.50	€14.15	€14.79	€16.12
Annual Wage[2] (€)	€23,504	€26,416	€28,080	€29,432	€30,000	€32,691
Weekly Wage (€)	€452	€508	€540	€566	€577	€629
% Increase on Previous Year	-	12.39%	6.30%	4.81%		8.97%
Employer Contribution [3-8] (€)	€3,691	€4,297	€4,596	€5,292	€4,910	€5,878
New Permit Cost (€) ** 2 year permit	-	-	-	-	€1,000	-
Renewal Permit Cost (€) ** 3 year permit	-	-	-	-	-	€1,500
Total Labour Unit Cost per Annum (€) ** Exclude cost of permit	€27,195	€30,713	€32,676	€34,724	€34,910	€38,569
Total Labour Unit Cost Hourly	€13.07	€14.77	€15.71	€16.99	€17.21	€19.02

[1] General Employment Permit hours calculated on a 39 hr week
[2] Annual wage includes 20 days annual leave
[3] Employer Contribution 2023 NMW calculated at 15.7% (10 Bank Holidays (3.8%); 3 Day Sick Leave Entitlements (0.81%); Employers PRSI (11.05%))
[4] Employer Contribution 2024 NMW calculated at 16.3% (10 Bank Holidays (3.8%); 5 Day Sick Leave Entitlements (1.35%); Employers PRSI (Jan-Sept 11.05%) (Oct-Dec 11.15%))
[5] Employer Contribution 2025 NMW calculated at 16.4% (10 Bank Holidays (3.8%); 5 Days Sick Leave Entitlements (1.35%); Employers PRSI (Jan – Sept 11.15%) (Oct– Dec 11.25%))
[6] Employer Contribution 2026 NMW calculated at 17.98% (10 Bank Holidays (3.8%); 5 Days Sick Leave Entitlements (1.35%); Employers PRSI (Jan – Sept 11.25%) (Oct– Dec 11.4%); Pension Auto Enrolment (1.5%))
7 Employer Contribution GEP 2025 calculated at 16.37% (10 Bank Holidays (3.85%); 5 Days Sick Leave Entitlements (1.35%); Employers PRSI (Jan – Sept 11.15%) (Oct– Dec 11.25%))
8 Employer Contribution GEP 2026 calculated at 17.46% (10 Bank Holidays (3.85%); 5 Days Sick Leave Entitlements (1.35%); Employers PRSI (Jan – Sept 11.25%) (Oct– Dec 11.4%); Pension Auto Enrolment (1.5%))
NMW – National Minimum Wage
GEP – General Employment Permit
*** and *** Permit costs have not been included in the hourly Labour Unit Cost*

Packaging

Packaging includes cardboard boxes and trays, polypropylene net bags, LDPE vegetable bags, PET & PP containers (Punnets/Trays), Polyethylene (PE) packaging, labels including metallic elements and foil. It also includes flow wraps, films, strapping, plastic outer crates and wooden pallets and bins.

For 2026, we have detailed that the price of packaging products across the 7 sub-sectors has deflated very slightly (-0.1%), but the change is dependent on subsector and ranges from 3% to -8.9%. In 2026, packaging costs are estimated to comprise 6.4% of the total input costs reported. Wide variances on the cost of packaging do vary yearly depending on the type of packaging that is predominant in a sub-sector, or if the retail sector require in the standard packaging type. In last year's report, packaging increases by sub-sector varied by 0-3% and in 2024, there were wide variances in the cost of packaging reported (-6% to 24%). Costs this year seem to stem from a reduction in the cost of cardboard and continued use of paper-based packaging. However, it warrants comment that the recent increasing cost of energy, particularly gas this may impact plastic based products if high energy prices were to continue.

Our sources of information on packaging prices include growers, producer organisations who buy packaging centrally, and packaging suppliers directly.

Fertiliser

Fertiliser represents between 2.3% and 5.9% of total input costs (Mean: 4.9%) of the subsectors which utilise it (Mushroom sector omitted). This year, data collected in January 2026, was indicating an average increase of 10.1% in the cost of fertiliser, ranging from 4.5 – 27% depending on horticultural subsector and the type of fertiliser formulation utilised. Data released by the Central Statistics Office[7] indicate that the cost of straight fertilisers rose by 15.1% and compound fertilisers by 11.5% in the 12 months to January 2026. CSO data indicates that C.A.N increased by 16.5% from €364/tonne in January 2025 to €424/tonne in January 2026. In the same time period, 7-6-17, increased by 7.8% from €567/tonne to €611/tonne. Granular superphosphate (16% P) has increased 4.8% (€516 /t v €541 /t) and muriate of potash has increased 1.2% (€486 /t v €492 /t).

However, it should be noted that these increases were linked to increasing gas prices but were collated before the recent significant inflation in gas prices (Please see energy section). Several other factors are leading to potential uncertainty and fluctuation in the fertiliser market as it pertains to Horticulture as we move further into 2026. Controlled release fertilisers (CRFs), used in the containerised plant sector, has seen a very significant increase in costs reported (27%) possibly due in part to EU Carbon Border Adjustment Mechanism (CBAM) and incoming EU REACH Polymer Registration legislation controlling single use plastics in the environment and their speed of degradation.

As CRFs are typically purchased already incorporated into growing media, the grower faces immediate exposure to cost increases. Additionally, the definitive regime phase of the EU CBAM came into effect in January 2026.

[7] *Central Statistics Office: Agricultural Price Indices January 2026*

Energy

The horticultural sector utilises energy in a myriad of different ways, be it electrical energy for running refrigeration, cooling crops, crop lighting and packaging lines, heating energy through gas and biomass to grow crops such as strawberries, tomatoes and mushrooms, diesel for field vegetables and delivering harvested produce, through to using carbon dioxide (CO_2) from natural gas to feed crops such as tomatoes to increase their yield. Within this report we have referenced data from growers on electricity costs and heating costs provided by gas, biomass and oil. The contribution of energy to the cost of production varies greatly across the sub-sectors, ranging from 3.2% to 18.5% in January 2026 depending on the crops and growing system deployed. Self-generation of power has become more common in the sector in the last 5 years, with solar being the dominant system invested in. For those businesses with high demand matched with high generation, i.e. refrigeration in summer, notwithstanding capital investment costs, this has reduced electricity input costs in some sectors.

Protected high wire crops are dependent on gas for heat and CO_2 supplementation, with other crops such as strawberry increasingly being heated to increase the productive season. For the purposes of this report, we report average January wholesale gas prices in the UK in January 2025 to January 2026. Therefore the costs and rates to individual growers may vary, and do not take into account the fluctuations in natural gas prices throughout the year. Wholesale gas prices within our reference period from January 2025 to January 2026 decreased significantly in the reference period (Natural Gas UK GBP (GBp/thm). In January 2025, the cost of gas was approx. 122.06 (GBp/thm), this had decreased to 84 (GBp/thm) by January 2026, representing a 31% decrease.

However, since the advent of events in the Middle East, the average daily cost of gas has increased to 129.9 (GBp/thm) (Average daily cost from March 2nd to March 13th). This represents a 54% increase from January to Early March 2026, and a 6.5% from January 2025 to March 2026. For the High Wire Crops Sector this has significantly altered the situation, as based on a January 2025 to January 2026 comparison, input costs had deflated by 4.3%, however applying the increases since March 1st, the input costs have inflated by 5.34%. This is critical as most highwire crops (e.g. tomatoes and cucumbers) are installed in glasshouses from late January to early February. These young plants are extremely sensitive to temperature below 12°C, where glasshouse heating is critical to protect the crop.

It should also be noted that when the temperatures begin to increase, the plants will become larger and their need for carbon dioxide will increase. When fully grown, a crop such as tomato requires between 50 – 80 Kg of carbon dioxide per Ha, per hour to maintain ambient caron dioxide levels in a glasshouse. If carbon dioxide levels fall below ambient then expected yields can be significantly affected (-20%). Carbon dioxide is generated from the gas used for heating. *As of the final edit of this document, Gas prices had increased to 159.72 (GBp/thm), which represents an 11.61% increase in the overall Input costs for this sector. Given the continuing volatility in gas price and the uncertainty as to its duration, this will significantly impact profitability in the protected crops sector.*

In relation to biomass, some sectors such as the Mushroom and Nursery stock sectors have been large adopters of the technology. SEAI data[9] indicates that bulk wood pellets prices fell from 39 cent/Kg in January 2025, to 38 cent/Kg in January 2026, and wood fuel chips rose from 20 cent/Kg in January 2025 to 21 cent/Kg in January 2026. This would reflect the reality that many growers are reporting that the cost was static. While no official statistics are currently available, a recent

Department of Agriculture, Food and the Marine press release[8] indicated that marked gas oil (MGO) has risen from €0.97 per litre in late February 2026 to €1.80 per litre.

Figure 1.1: 12 Month January to January fluctuation in Gas prices

Figure 1.2: January to March Gas prices

[8] *Minister Heydon announces €100 million fuel support package for farmers, contractors and fishers*
[9] *SEAI: Ireland's energy statistics*

Commentary by Sector

Table 5: Input Price Inflation/ Deflation Jan 2025 v Jan 2026

Horticulture sector	Labour	Packaging	Fertiliser	Plant Protection	*Energy	Sector Specific Inputs	Other	% increase costs of production 2025-2026 (weighted)
Mushrooms	5.1%	-8.9%	0.0%	3.0%	-2.4%	0.9%[1]	1.9%	**1.8%**
Nursery Stock	7.1%	2.0%	27.0%	3.0%	8.0%	5%[1]	5.0%	**7.5%**
Soft Fruit	7.0%	3.0%	4.8%	3.8%	3.2%	9.8%[1]	2.5%	**5.5%**
Top Fruit	6.3%	3.0%	5.0%	15.0%	5.0%	0.0%	8.0%	**7.5%**
Vegetables	6.2%	0.3%	12.0%	1.5%	1.5%	3.65%[2]	2.8%	**4.7%**
Protected Salad Crops	5.6%	0.0%	12.0%	2.3%	1.5%	4.3%[3]	2.8%	**4.5%**
High Wire Crops (Jan 25 - Jan 26)	5.6%	0.0%	4.5%	3.0%	-31.0%	9%[3]	2.8%	**-4.3%**
High Wire Crops (Jan 25 - Mar 26)	5.6%	0.0%	4.5%	3.0%	6.5%	9%[3]	2.8%	**5.3%**

*(*Energy includes electricity, oil, natural gas, and biomass where applicable), ([1] Compost or Growing Media), ([2] Land Rent and Machinery Maintenance), ([3] Growing Media, Seed and/or Plants)*

Mushroom Sector

The mushroom industry is the largest horticultural sector in Ireland. It has a farm gate value of €157.6 million (2025), of which approximately 85% is exported to the UK. The sector employs 2,968 people of which 2,009 people work directly on mushroom farms (Gernon, 2023). Currently there are 32 mushroom production facilities Ireland owned by 25 mushroom growers (some growers own more than one mushroom production facility).

Labour

Labour is defined as an input for the purposes of this report. Looking at the relative importance of inputs as a percentage of total input costs, labour is the key input in the horticulture sector and represents 43.4% of total input costs for most sub sectors including vegetable, fruit, and amenity sectors. In the context of the mushroom Industry, labour represented 45.6% of total input costs.

Recent policy and cost changes affecting labour Several policy changes announced in Budget 2026 and other government measures will increase labour costs for mushroom producers:

- National Minimum Wage: From 1 January 2026 the adult national minimum wage increased by €0.65 per hour, from €13.50 to €14.15 — a 4.8% rise.
- Employers' PRSI: Employer PRSI rose from 11.15% to 11.25% on 1 October 2025, with a further scheduled increase to 11.4% on 1 October 2026.

- Pension auto enrolment: Employers will incur an additional employer pension contribution of 1.5% under the planned auto enrolment scheme.
- General Employment Permit (GEP) Minimum Annual Remuneration (MAR): The Department of Enterprise, Trade and Employment's Roadmap Review (2025) increases the MAR for General Employment Permit roles in horticulture (including operative and meat processing roles) from €30,000 to €32,691 — an increase of ~9% — applying to any GEP granted or renewed on or after 1 March 2026.

These combined changes are estimated to have raised overall labour costs for mushroom producers by about 5.1%. Individual growers will experience different impacts depending on their workforce composition:

- Growers with a high proportion of staff on General Employment Permits — particularly those due for permit renewal after 1 March 2026 — will, in many cases, see larger wage cost increases.
- The sector is heavily reliant on non EEA workers employed under the General Employment Permit scheme. Non EEA operatives and harvesters are critical to filling seasonal and operational roles that are difficult to source from the EU domestic labour pool. The rise in MAR therefore increases the cost of accessing this essential workforce and can present a barrier for growers operating on slim margins.

In relation to additional labour-related costs, the figures above exclude recruitment and permit administration costs, which are non-trivial: approximately €1,000 for a new permit and €1,500 for a renewal (not included in the per employee cost calculations presented elsewhere).

Substrate

Mushroom substrate comprises of mushroom compost (30.2% of total input costs) and mushroom casing (3.5% of total input costs). Substrate prices were broadly stable over the past 12 months as only one compost supplier increased their price. This stability reflects greater availability of Irish straw, particularly wheaten straw, following an expanded cereal area for the 2025 harvest in comparison to the previous year. Casing costs rose slightly due to higher transport costs and increased use of higher-cost, peat-free materials grown in Ireland. Overall, substrate costs increased by 0.9%.

Packaging

Mushroom packaging is the third-largest input cost for producers, accounting for 7.9% of total input costs. In 2025 packaging expenses fell overall by 8.9%, driven by modest reductions in plastic and cardboard prices and a slight shift away from cardboard packaging. This decline provided a small but welcome easing of cost pressure for growers.

Energy

Mushroom production is highly energy intensive as crops are grown indoors year-round and require continuous heating and cooling. Biomass pellets and woodchip are the primary fuel sources used for heating on Irish mushroom farms. Prices for these fuels were broadly stable over the past year, while oil and gas prices fell. As a result, heating costs for producers declined by 4.2%. Electricity costs were largely unchanged, with some growers seeing small reductions during the reference period. Overall energy costs fell by 2.4% in the reference period. Heating and electricity together account for 6.3% of total production costs for mushroom producers.

Crop protection product prices rose modestly (3%) over the last 12 months, but their impact on sector inflation is limited: crop protection accounts for only 1.3% of growers' production costs.

Other

The "other" category covers fixed overheads. Growers reported an average increase of 1.9% in this category, with notable rises in repairs and maintenance, insurance and waste disposal.

The data provided in this report represents data collected from 16 mushroom farms which represents 64% of the total mushroom production in Ireland. The data is a fair representation of the Irish mushroom industry as it includes a variety of farm types including small, medium and large farms. It also covers farms producing white mushrooms, brown mushrooms, and a combination of both and those harvesting a variety of products – Closed cup, Baby buttons, Flats.

Soft Fruit

The soft fruit industry in Ireland is currently valued at approximately €50 million. The largest soft fruit crops grown are strawberries. This crop represents about 90 percent of the total soft fruit crops grown with an annual harvest of 10,000 tonnes of fruit. The largest production takes place in Leinster with counties Wexford, Meath and Dublin being the largest producers. We estimate input inflation in 2026 will be 5.5%. Since 2020, the cumulative increase in inputs to produce soft fruit has increased by 63.1%.

Labour is the largest single production input cost. This accounts for 44.6% of the total production cost on each farm. Sourcing labour continues to be challenging and increasingly expensive. The minimum wage increased on the 1st of January 2026, by a further 4.8% to €14.15 per/hour. However, this equates to €16.69 for the grower, including the new employer pension contribution which starts at 1.5 percent. This means the minimum wage has in fact increased by 6.24 percent.

Commentary from growers is that when other employment costs (Transportation to work, administration) and insurance are included, the hourly cost of employing staff is much closer to €20 per hour. Increasingly, growers in this sector are utilizing the General Employment Permit to source staff, and in those instances the cost per hour to the grower is €17.21, with any new permits being signed after March 1st 2026 costing €19.02 per hour.

The second largest cost for those growers heating glasshouses is energy. It makes up approximately 12.5 percent of the total costs of production. The impact of energy is dependent of fuel source (Gas, biomass etc). Growers reported a modest increase in overall energy costs, which would be due to the contract type they have with their fuel supplier. However, as detailed in the energy section of this report, the cost of Gas has increased 54% (Average January Price 2026 v Average March 3rd-16th 2026) and increased 6.5% over the January 2025 average price. The impact on individual growers will depend on their fuel source and contract type.

We have reported an average gas price in January 2026 represented a 31% decrease on the corresponding 2025 figure. This figure has increased to 129.9 (GBp/thm) in the first 2 weeks of March 2026. However, for context, growers have been dealing with hugely variable gas prices since 2020, where the corresponding costs were in the 30-60 (GBp/thm) range. The price of electricity has

started to decrease with the prices per kWh going down but these are from a very high level.

The costs of running the soft fruit Packhouse (3rd biggest cost) (incl. all the associated packaging of the berries, cold storage, labour and transport costs) has also increased dramatically. In the past year the costs of running the pack house have increased by approx. 5 percent. This is primarily due to an increase in labour, energy and packaging machine costs.

The costs of strawberry plants continue to rise also with the costs of both increasing by another 8.5 percent since the 31st of March 2025. One of the larger costs increases here, relates to the unavailability of various plant protection products (PPP's). This is has led to increased plant production costs.

The cost of plants increased by 8 percent in 2025 and 10% in 2024. All the strawberry plants are imported mostly from the Netherlands. The growers have a large exposure to the cost of road and sea transport which is continually rising. To that end, coir is an important substrate, in which most strawberry crops are grown. Some growers have received notice of additional transport and fuel surcharges on these materials, increasing the cost of these inputs.

Protected Crops

The protected vegetable sector includes a range of edible crops grown in greenhouse structures where controlled environments are required for crop production. Input costs vary significantly between crops. Tomatoes, cucumbers and peppers are grown on a **high wire system**, in a heated and controlled environment, in soil-less growing media (coir, peat or rockwool). Lettuce and herbs are frequently grown in the soil under glass in an ambient temperature or 'cold glass' as it is referred to in the sector. These crops are referred to as **Protected Salad Crops** in this report and may have some heat applied in some growing contexts. There are, however, exceptions to this and averaging across the protected vegetable sector can unfortunately mask specific spikes in input costs, for specific production systems and producers. For the purposes of this report, we have separated crops grown on a high wire system under protection from other salad crops typically grown in soil or artificial substrate.

For the first time since we started the Horticulture Input Costs report, input price deflation has been recorded in high-wire crops, at a rate of -4.3% since January 2025. The cumulative increase in Input costs in the protected crops sector is 98.6% since 2020. As highlighted in previous editions, input cost changes in the high-wire sector are strongly influenced by two primary inputs: labour and energy (natural gas). Together, these now account for 61.3% of the total cost of production. In contrast, input price inflation in Protected Salad Crops is estimated at 4.6%.

However, since the commencement of events in the middle east, gas prices have increased sharply and are now 6.3% above where they were in January 2025. When these figures are applied, Input Inflation in High Wire crops is estimated to be 5.3%. Obviously, the impact of these price increases will be contingent of the contract agreements individual growers have in place, as well as how long gas prices continue to be elevated. From an agronomic perspective, crops such as tomato will now be in situ in Glasshouses and must be kept above a minimum of 16°C, to prevent crop stress and loss. This means that the significant increase in gas prices since March have been incurred by growers

already, severely affecting the profitability of these crops. These crops also require additional carbon dioxide to maintain ambient CO_2 levels, which is derived from the boiler flue gases after gas combustion. An actively growing crop requires 50-80 Kg of CO_2 per hour/per Ha to maintain ambient CO_2 levels.

Energy now accounts for 18.5% of the cost of production in the high-wire sector, following a 31% decrease in energy costs between January 2025 and January 2026, but accounts for 26.7% when the gas price increases from March 3rd to 13th are applied. It is important to note, however, that natural gas prices remain highly volatile. Historically, geopolitical unrest has triggered major spikes in gas prices, which growers are often exposed to immediately. As in previous reports and consistent with reporting on other inputs, we have taken an average January 2025 – January 2026 natural gas price to report on but are providing additional detail on costs to March 2026 as they provide important context.

Labour costs in the protected salad crop and high wire crop sectors have both increased by 5.6% and now represent approximately 38.5% - 42.8% of total production costs. These crops require skilled labour to undertake a wide range of crop husbandry and harvesting tasks. Although modern glasshouses offer good working conditions, recruitment and retention of staff remain ongoing challenges for growers.

Seed costs have risen by an average of 7.6% in Protected Salad Crops and 9% in high-wire crops. This increase is driven by the adoption of virus-resistant varieties, particularly in tomatoes, as growers seek to mitigate the significant risks associated with crop and yield loss. The development and production of new specialised varieties have become more expensive in recent years, and strong demand has further contributed to price increases passed on to growers.

As in other horticultural sectors, fertiliser prices have increased, rising by 4.5% in high-wire crops and 12% in Protected Salad Crops since January 2025. Continued inflation and price volatility are expected due to the EU Carbon Border Adjustment Mechanism (CBAM). Packaging input costs have remained stagnant since January 2025, while crop protection products continue to rise at a rate of 2.3 –3%.

Vegetable Sector

Input price inflation in the field vegetable sector continued at 4.7% during the period January 2025 to January 2026, with overall input costs having increased 77% since March 2020.

In contrast to previous seasons, weather conditions at the start of the 2025 season were very favourable and allowed for excellent crop establishment. Warm, dry conditions through the spring and early summer—while presenting certain challenges such as reduced efficacy of residual herbicides and heightened insect pest pressure—also provided excellent weather windows that enabled timely planting and field operations. This resulted in high crop quality and strong yields in the early part of the season. Rainfall occurred at critical times, preventing soil moisture deficits from becoming excessive. Although irrigation was still required, many crops did not face the level of drought stress experienced in previous years.

Overall, crop quality, yields and working conditions were excellent throughout most of 2025.

However, significantly above-average rainfall was recorded in September, October and November 2025 and continued into January and February 2026, with rainfall reported at 46% above the long-term average at the Dublin Airport Met Éireann station.

Evapotranspiration during this period is extremely low due to short day length and low temperatures, meaning rainfall has a particularly significant impact on field trafficability and the harvesting of autumn and winter crops. Many of these crops supply key Christmas markets, and meeting programme requirements under such challenging conditions placed growers and staff under considerable pressure to maintain continuity of supply and quality. Soil conditions were beyond saturation in the early part of 2026, but they have been improving over the last three weeks, and soils have begun to dry and field work has begun. However there has been some delay in the establishment of early crops in 2026. Unfortunately, due to weather conditions, much of the early field work would have commenced after the increases in agri diesel (MGO) in early March, with significant increases in fuel costs being reported[8] (€0.97 to €1.80 per litre), again with these elevated costs being incurred by growers. This continues the trend of more frequent extreme climatic and geo-political events that field vegetable growers must adapt to, both in terms of production risk and cost.

Labour

Like other horticultural sectors, labour remains the most significant input in field vegetable production, now accounting for an average of 40.2% of overall input costs. Its relative importance tends to be slightly higher for hand-harvested crops such as broccoli or cauliflower and slightly lower for machine-harvested crops such as carrots or parsnips. Labour costs increased by 6.2% between January 2025 and January 2026 due to rises in the national minimum wage, employers' PRSI, pension auto-enrolment, and the General Employment Permit (GEP) annual wage requirement.

Severe challenges in sourcing and retaining staff have persisted throughout the reporting period. Recruitment and training costs remain significant, and new staff often require extended periods to reach full productivity, a staff retention is increasingly challenging. For example, a task previously completed by four trained staff in one hour may now require five staff with mixed experience to achieve the same output. This increases labour demand beyond the per-person cost and raises the cost of production per unit or kilogram of produce.

Fertiliser

Fertiliser costs for the field vegetable sector increased by an average of 12% during the reporting period and now accounts for 6.6% of overall production costs. Inflation and price volatility are expected to continue, driven primarily by the EU Carbon Border Adjustment Mechanism (CBAM). This mechanism applies carbon-related charges to carbon-intensive products—such as nitrogen fertiliser—imported into the EU from 1 January 2026 onwards, with variable costs depending on the country and factory of origin and associated carbon footprint. Additional supply-chain costs are also anticipated. Current forecasts suggest that fertiliser prices will rise by about 10% in 2026, with nitrogen-based products more exposed than phosphorus- or potassium-based fertilisers. However, as with energy costs, geopolitical events may result in a decrease in fertiliser availability, an increase in cost and also transportation surcharges which may significantly increase costs again.

Seed and Plants

The cost of seed and plants increased by 4.3% on average and now accounts for a combined 8.1% of total input costs. As in previous years, inflation within the seed production sector is being passed on to growers, while supply-chain costs and demand for varieties with improved disease resistance or tolerance continue to drive prices upward. Vegetable plant propagation—required for most brassicas, some salad crops and allium crops—is typically carried out by specialist third parties and has increased by approximately 3.8%. Depending on the crop, seed and plant propagation contribute 7–14% of total production cost, whereas seed for direct-drilled crops such as carrots, parsnips or onions typically makes up 4.5–7% of the cost of production.

CPP, Energy, Packaging

Other inputs—such as crop protection products, energy and packaging—which rose sharply in recent years have shown little change in the current reporting period, with only minor average increases recorded. The availability and cost of suitable land continue to pose significant challenges for the sector and have increased sharply in recent years, as documented in previous editions of this report. While some localised situations show land rental costs still adjusting to market levels and experiencing sharper increases, overall growers are reporting land rental inflation has eased slightly. Nevertheless, average rental costs are reported as having increased by a further 3%. The recent SCSI/ Teagasc agricultural land market review indicated the national average farmland rental prices forecast to rise 4% in 2026.

Field-Scale Organic Vegetables

Organic vegetables retail sales were valued at €53.6 million (Feb 2024 – Feb 2025), growing 9.9% year on year. Organic carrots, tomatoes, broccoli, onions and cucumbers are the best sellers. Organic vegetable production ranges from highly mechanised field-scale systems with fewer crops, to labour intensive market gardens growing a wide range of produce. Costs vary considerably depending on scale of production, crop type and rotation, level of mechanisation and equipment, owned or rented land, the impact of weather, post-harvest operations, and route to market.

In 2025 Storm Éowyn caused significant damage and loss of early crops for some organic growers. Impacted growers re-invested during the season with the support of the targeted reopening of the 2025 Scheme of Investment Aid for the Development of the Commercial Horticulture Sector, loans and/or using their own resources. Unfortunately, several organic growers did not recover financially during 2025, with some ceasing production.

Labour, capital investments in specialist machinery, energy for storage, running machinery and transport, packaging, land sale and rental price increases and availability, all continue to be major costs and challenges for organic vegetable growers.

Labour

Labour remains the most significant portion of organic vegetable production and post-harvest costs and plays a major role in determining profitability and production capacity. For 2025, factoring in minimum wage increases, on average labour makes up 57% of variable costs based on the information we have for field-scale organic vegetable production, however our sample size is small.

For direct-seeded crops with higher plant populations, where hand weeding is still widely used for controlling weeds growing between crop plants in the row, manual weeding alone can comprise over 60% of labour production costs. For transplanted crops, where cultivators and mechanical weeding can control weeds inter-row and between crop plants, planting and harvesting (including cleaning and packaging) can account for 80 to 90% of the labour costs.

Energy

Current energy costs (fuel and electricity) for organic vegetable production can range between 13% to 14% of variable costs, with grower information we have showing that prices overall remained similar/increased slightly in 2025 since the last Horticulture Crop Input Prices Report.

Carbon tax on farm diesel increased 13.4% (€20.33 per 1,000 litres) during 2025. Figures from the Central Statistics Office (CSO) Agricultural Price Indices report increases in fuel and electricity prices of 2.8% and 5%, respectively, over the 12 months to November 2025. Data from Sustainable Energy Authority of Ireland (SEAI) show that average price of electricity in 2025 increased (+6%) in the 12 months and was lower (-11%) compared with 24 months.

Flame weeding is used by organic growers for controlling weeds, pre- and post-emergence (depending on the crop), in both market garden and field-scale organic vegetable production. Liquefied Petroleum Gas (LPG) is more typically used for flaming than natural gas and is generally more expensive (Table 6).

Table 6: Cost Comparison Commercial Gas 1st January 2026

Fuel	Form	Average price/unit (€)	Delivered energy cost cent/kWh	Percentage change since 1st Jan 2025
LPG[1]	Commercial cylinders	2.381	17.06	+4.3%
	Bulk LPG (0-3 tonnes)	1.074	15.15	+5.7%
	Bulk LPG (3.1-40 tonnes)	0.876	12.35	-0.7%
Natural gas[2]	Band I1: <278 MWh per annum	0.107	10.7	-3.9%
	Band I2: >=278 <2,778 MWh per annum	0.0895	8.95	-2.9%
	Band I3: >=2,778 <27,778 MWh per annum	0.076	7.6	+4.1%
	Band I4: >=27,778 <277,778 MWh per annum	0.0566	5.66	+7.7%

[1] quarterly prices; [2] biannual prices (Source: SEAI)

During 2025, we have some information from growers that the average price of LPG increased in the 12 months since the last Horticulture Crop Input Prices Report but was lower compared with 24 months. Figures from SEAI show that average price of gas in 2025 increased (+4%) in the 12 months and was lower (-14%) compared with 24 months.

Seeds and transplants

Organic production rules require the use of certified organic seed whenever it is available. Growers may apply for permission (derogation) to use non-organic non-chemically treated seeds if the organic seed is unavailable or unsuitable. There is currently an inadequate supply of organic seed on the market and with derogations for non-organic untreated seeds due to be phased out from 2036, this poses a challenge for growers obtaining quantities of organic seeds required.

The cost of seeds and transplants for organic vegetable production varies and can account for between about 11% to 55% of variable costs. Certified organic seeds for the main vegetable crops are on average around 5% to 38% more expensive than non-organic untreated seeds and conventional seeds due to additional costs of organic seed production. Non-organic untreated seeds can be similar in price to conventional seeds but are cheaper for some crops by approximately 2.5% to 5%.

Soil and crop nutrition and crop protection

The nutrient requirements of organic vegetable crops vary. It is typically supplied by growing fertility building crops in the rotation and using approved organic manures/fertilisers applied during the rotation and in the base/top dressed/foliar as indicated by soil/leaf analysis results. In 2025, soil and crop nutrition costs ranged between approximately 2% to 9% of production costs.

During 2025, crop protection (i.e. mesh netting and authorised plant protection products and biological control) accounted for about 2% to 4% of variable costs, with prices remaining similar/slightly increased in the 12 months since the last Horticulture Crop Input Prices Report.

Transport and packaging

Transport and packaging can account for between about 5% to 28% and 14% to 21% of variable costs, respectively. During 2025, grower information that we have shown that transport costs increased slightly linked to increased fuel, energy and maintenance expenses, and labour costs. Packaging prices remained similar over the 12 months since the last Horticulture Crop Input Prices Report.

Organic Tillage and Vegetables-Integrated Weed Management European Innovation Partnership project

In May 2025, €1,562,461 funding was awarded for the Organic Tillage and Vegetables-Integrated Weed Management European Innovation Partnership project (OTV-IWM EIP project), which started in September 2025 and runs until end of 2029. The project objectives are focused on key constraints and opportunities for both organic tillage and vegetable production and include evaluating mechanical/advanced weeding and IWM strategies, developing a machinery sharing model, and crop planning for collaborative production/machinery sharing. Information from the project, including weed control costings, will be made available online, and through publications and demonstration days. For more information, please contact William.Deasy@teagasc.ie who is the project co-lead.

Nursery Stock & Ornamental Sector

There are several distinct sub sectors of the ornamental sector: young plant propagation, containerised nursery stock, field production of trees, protected production of bedding and pot plants, hedging and cut foliage. Each sector has a different profile of input material and labour. Growers may overlap one or more sub sectors resulting in a spread of prices. Nursery stock businesses continue to invest in labour saving modernisation and automation to similar levels as continental growers though scale is slower to increase. We estimate that the broad sectoral inputs are up by 7.5%.

Labour is the significant cost increase seen across the Nursery Stock sector from January 2025 to January 2026. While few in the sector were on minimum wage the increase precipitated a rise across all wage categories. Increases for take home pay were increased by between 1 and 4% with some sub sectors reporting strong increases of 12%. Growers' additional contributions including the pension levy have seen an increase of 7.1%. This increase in wages has also seen an increase in contracted labour with a rise reported by one grower from €20 to €22 per hour, a 10% increase.

Packaging, PP pots and PET trays have remained the same or had marginal increases of 1-2%. Some speciality lines such as hanging baskets have increased by up to 5%. Cardboard and labels have increased by approximately 2%. Labels and tags are tracking with inflation with an average increase of 2%. This is an area that also results in significant hidden costs with potential for high wastage due to product line and specification changes resulting in obsolete labels unless very well managed.

Fertiliser increases are varied across straight, soluble/liquid and slow release (controlled release fertiliser CRF). CSO report January - October 2025 7-6-17 +7.2%, Superphosphate +10.3%, Muriate of potash + 1.6%. Growers report speciality soluble/liquid fertilisers up 6% and controlled release fertilisers increased by up to 27%. CRF face challenges in the immediate future due to legislative requirements on single use plastics and degradation. Growers often buy bulk loads of fertiliser stock giving some control on cost inflation and efficient transport costs however CRF are almost always purchased premixed with compost. The result being full exposure to CRF increases. In addition, there is limited competition in the sector with alternative options.

Within plant protection products many elements have stayed relatively stable with many growers reporting generic PPP have to increased however there are examples of key and important PPP increasing by 6.2%. Control agents have been more stable with aphid predators entomopathogenic nematodes static and thrips increasing by 3%. Some bio-fungicides have increased by 6.6%. Average increase rate can be taken at 3%.

Energy

Most nurseries with heated glass (5% of sector) are now using biomass as their key source of heat. SEAI recorded from Q1 25-Q4 25 wood bulk pellets prices fell by -1.9%. In the same time frame SEAI report heating oil reduced by 2.1%. The remaining 95% of growers are using electricity as their main energy input. Electricity prices are less clear due to a wide range of suppliers on the market, growers opting for various different tariffs, 24hr rate or day and night rate. In addition, self-generation with solar is contributing to some reduction in consumption. By and large growers reported increases in spend on electricity during the year of 5-11% taking from the grid.

Other key inputs

Growing media costs have increased in 2025 and will continue to increase in 2026. All growers have reported costs rising for this essential material for containerised production. Costs are tracking at and above inflation at between 1.3% and 5% increases. There has been a seismic change in the growing media sector in the last five years. Growers now typically use media with 30% peat alternatives. Any further increases have an agronomic impact and a higher cost due to increased wood fibre or coir. It has been noted that price increases for coir and Baltic peat inputs in 2026 of 3-4% are due to unfavourable harvesting in 2025. Peat free media is predominantly made with coir as a peat replacement. While a small part of the market, it is increasing in production and use, it remains a smaller part of the sector.

Starter material of young plants or plugs varies depending on the sector, but prices have risen more than inflation in all areas. Young plants in the form of liners are +5% and plugs have increased by up to 10%. Bare root whips and roots stock, both used for budding and grafting of ornamental trees, have increased by an average of 8%. Purchasing in these elements are critical for almost all ornamental plant producers as they have become specialised plant finishers and no longer propagate their own young stock. It should be noted there are no commercial plug or root stock producers in Ireland and only a handful of liner and young ornamental tree producers.

Cut flowers and foliage

The €10m (approx.) industry is predominantly made up of daffodils primarily for the domestic market and cut stems of greenery (Eucalyptus, Pittosporum & Laurel) where up to 80% is exported to UK and Holland. In common with other horticultural enterprises, the pattern in input cost increases are broadly similar in relation to foliage and cut flowers. However, it is important to specifically single out labour in this sub sector which can represent up to 60% of the production costs with all of the product hand harvested and processed. The cost of harvest alone has seen a 30% increase over the past 6 years. Transport has moderated in 2025 but coupled with materials account for 20% of the costs.

Whilst the increase in production costs impacts demand in the domestic market, it is the important export market to the UK and Europe that has been adversely affected. Factors that negatively impact on this volatile, cyclical business include the continued economic issues in the UK and wider Europe, the increased cost of phytosanitary regulation particularly for export of some products into the UK and competition from unregulated cheap ‘wild’ product from third countries. The continuous downward pressure on product price is a concern for key players in a sector which has considerable scope for expansion.

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Appendix

Costs not captured

Growers in similar enterprises have different overheads in their business and require a margin to meet these overheads. This report does not fully capture these costs, which typically relate to legal or professional fees, accountancy, sundry expenses, administration, repairs and maintenance and loan repayments. Bank finance in the form of asset finance, overdrafts and term debt are important financial products for primary producers in managing and expanding their business and commentary is required for 2025. There is no one size fits all when it comes to individual businesses within sectors.

According to Central Bank, interest rates on outstanding loans for the primary agriculture sector increased year on year to stand at 5.33% (Dec 2025) (Dec 2024 was 5.24%). Additionally, the level of credit advanced to enterprises growing crops, market gardening or horticulture has decreased from €138m to €132m (from Dec 2024 to Dec 2025). The interest rates on new loans for the primary agriculture sector is relatively stable and stands at 5.48% (Dec 2024 was 5.49%). (Source: Central Bank of Ireland - SME and Large Enterprise Credit and Deposits)

The impact on a business will depend on the borrower, the lender, amount borrowed and loan term. As the drive to adopt automation to reduce labour costs and adopt investments to provide climate resilience to the sector, the ability to finance investments will be critical.

Capital expenditure and Construction costs

As the horticulture sector is capital intensive, increases in construction and development costs associated with capital expenditure in the horticulture sector requires commentary. Producers continuously invest in equipment, facilities, and infrastructure to remain viable. Adopting technology or the latest production system requires significant investment over time. The Central Bank have stated that construction costs in Ireland are at the higher end of the price spectrum in Europe. The outlook for construction costs in Ireland remains challenging with expectations of further increases in costs owing to a number of factors including supply chain issues as well as increases in commodity prices. View the Central Bank of Ireland's 'Rising construction costs and the residential real estate market in Ireland' report for more information.

According to the SCSI's Tender Price Index, (TPI), construction tender prices increased by 1% in the second half of 2025, meaning tender prices increased by 2.5% in 2025.