

FINANCE
IRELAND



Loan Information Booklet

The Loan That Knows Dairy



Rabobank

MilkFlex Stakeholders

FINANCE IRELAND

Established in 2002, Finance Ireland is Ireland's largest non-bank lender, with specialist lending divisions including Motor Finance, SME Leasing, Commercial Mortgages and Agri Finance . At Finance Ireland we believe business is personal and with deep sector expertise and a commitment to responsible lending, Finance Ireland is proud to support the future of Irish farming through initiatives such as MilkFlex.



Rabobank

Rabobank is a leading global food and agri bank. A cooperative bank based in the Netherlands, it has 9 million clients in 35 countries and €655 billion in total assets.

Introduction



MilkFlex is an **award-winning** loan scheme designed exclusively for Irish dairy milk suppliers and supported by over 20 co-operatives nationwide. Consistently recognised as the leading loan product for dairy farm expansion in Ireland, MilkFlex helps protect farm incomes from the impact of dairy market volatility, seasonality, and disease outbreaks.

FLEX TRIGGERS

The key feature of this innovative loan product is that it has inbuilt 'flex triggers' that can adjust repayment terms in line with movements in milk price, thereby providing farmers with cash flow relief when most needed.

Our Agri team are available to help guide you through the application process. If you are interested in MilkFlex or have questions related to the loan, contact our team today.



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www.financeireland.ie/milkflex

Key features of MilkFlex



Term - 8 & 12 year standard loan terms available¹



Loan Amount

Loan amounts from €50,000 to €1,000,000 available (12 year standard term only) and from €25,000 to €500,000 (8 year standard term)



Rate

Variable rate of 4.5% over Euribor cost of funds



Upfront Fee

1.25% of loan amount deducted from loan amount at drawdown

Flex Triggers

- Facilitates the reduction of principal and interest repayments by 50% for a six-month period if the base reference milk price is 38 cpl incl. VAT or below for 3 consecutive months.
- Facilitates the reduction of principal and interest repayments by 100% for a six-month period if the base reference milk price is 34 cpl incl. VAT or below for 3 consecutive months.
- Features repayments that are increased by 25% for a six-month period when the base reference milk price is 60 cpl incl. VAT or above for 3 consecutive months.
- Disease Trigger: Repayments may be suspended if a notifiable disease is confirmed by the Department of Agriculture.



Early Repayment

Early repayments and ad hoc payments are allowed without incurring a fee



No Asset Security

No asset security is required except for any land purchase component²

Repayments

Loan repayments are automatically deducted from the supplier's milk receipts by their participating co-op over 8 months of the year (April to Nov, reflecting the seasonal spring milk supply curve) with no loan repayments (interest or principal) during the low milk production months from December to March inclusive.

Seasonal Repayment Structure

❄️			🌱		🐮				🌱		❄️
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
0%	0%	0%	10%	10%	15%	15%	15%	15%	10%	10%	0%

No repayments Dec - Mar, 10% of annual payments collected Apr, May, Oct, Nov, 15% collected Jun - Sept.

¹Flex events may extend the original loan term by up to 2 years on an 8-year loan, or up to 3 years on a 12-year loan.

²Land purchase is only available when availing of a 12 year standard term, and subject to security undertakings.

Purpose of the loan

MilkFlex loans are designed to support the growth and sustainability of Irish dairy farms. The funding can be used across a wide range of purposes, from investment in infrastructure and livestock to environmental initiatives, technology upgrades, and working capital needs. For farmers on a 12-year term, MilkFlex also provides the option to fund or refinance land purchases¹, ensuring flexibility to meet both short-term and long-term business goals. For a full and extensive list of the uses of MilkFlex, please contact our team using the details at the end of this brochure or visit our website to request a callback.



Farm Assets

Investment in productive dairy farm assets



Land Improvements

Grassland or land improvement (reseeding, drainage)



Farm infrastructure

For upgrades to milking parlours, works related to milking, animal housing, farm roadways, etc.



Sustainability investments

Suitable for a wide range of sustainability investments (TAMS and non-TAMS funded)



Livestock investment

Dairy livestock purchases



Capital

Working capital for dairy farming



Technology investments

Technological improvements (e.g. milking robots, monitoring equipment)



Debt Refinancing

Refinancing of any loan, cash or cash flow used in/on dairy farm projects



¹Land Purchase

Loans with a standard 12-year term can be used to fund land purchases, or to refinance debt link to a land purchase subject to security undertakings.

New Entrants

MilkFlex is also available to new entrants to milking who have at least 12 months of milk supply.

Our agri team

The Finance Ireland Agri team comprises dedicated Agri Business Managers (ABMs) with specialist agricultural expertise who understand farming. Our ABMs are regionally based and have a track record of supporting thousands of dairy farmers to grow their enterprise by availing of a MilkFlex loan.

Our Agri Business Managers



Experienced

Have a combined 50+ years of Agri Finance experience



Knowledgeable

All of our ABMs come from a farming background



Qualified

Are Qualified Financial Advisers (QFA) or equivalent

Farm Visits

Agri Business Managers are your dedicated point of contact and conduct farm visits, assess your application, and collaborate with our Agri Credit Team to make lending decisions tailored to the sustainability and success of your business.

If you have any questions related to the farm visit or the MilkFlex loan in general, please contact our team who can discuss product features and next steps with you.



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Loan application process

The MilkFlex loan application process is structured into three clear phases. It begins with a Suitability Assessment, where key financial and farm information is gathered to confirm eligibility. The second phase is the Application Process, which includes a farm visit by one of our Agri Business Managers to review your business in detail. The final phase is Approval and Drawdown, where lending decisions are confirmed and funds are released to support your farming needs.

Phase 1. Suitability Assessment

Here is what we will look for to assess your case:



Loan Amount

Your required loan amount and purpose



Satisfactory Checks

Central Credit Register, Stubbs Gazette, Experian



Financial information

e.g. 2 years' business accounts and tax confirmation via accountant



Milk Data

Last 3 years milk production data from your co-op



Certification

New entrants must hold a green cert or equivalent

Phase 2. Application Process

After the initial screening, applicants will provide:



Application form

Completed application form



Bank Statements

Last 12 months bank statements



Insurance

Farm insurance details



Valid ID

Current drivers license or passport



Proof of address

Recent utility bill, recent bank statement

Loan application process

The Agri Business Manager will liaise closely with the applicant to understand your requirements, typically through a scheduled Farm Visit. Once all the information has been provided the Agri Business Manager compiles a farm credit report and makes a recommendation to the dedicated MilkFlex underwriting team.

Phase 3.

Loan Approval and Drawdown

Once approved, the applicant must provide:



Milk Supply Agreement

Signed Milk Supply Agreement (MSA) matching the term of the MilkFlex loan which you have chosen.



Payment Instruction Letter

Signed Payment Instruction Letter (authorising deductions from milk cheques).



Signed guarantee

For companies, a signed guarantee letter.

Loan funds are paid directly to the applicant's nominated bank account. The full process typically takes less than 1 month although drawdown timelines may vary.

Ongoing obligations

Annual Covenants

Borrowers must confirm annually that:



Their tax affairs are up to date.



Financial information may be requested (accounts, milk statements, creditor listings, insurance)

Change of Circumstances

Borrowers must inform Finance Ireland of any events that negatively affect the business (e.g. disease outbreak, production issue, welfare issues). **In event a farmer exits milking, any outstanding Milkflex loan balance is due on demand.**

Responsible Lending

Applicants apply voluntarily. Finance Ireland does not push customers to apply or draw down funds. The MilkFlex product is designed to be economically viable and responsibly structured, with stringent underwriting to ensure suitability and sustainability.

Warning: The cost of your payments may increase.

Warning: If you do not meet the repayments on your credit facility agreement, your account will go into arrears. This may affect your credit rating which may limit your ability to access credit in the future.

Frequently asked questions

How are loan repayments collected?

On the irrevocable consent of the milk supplier, MilkFlex loan repayments will be made by the participating co-op during the key milk production months and passed directly to Finance Ireland. The precise amount of the deduction from the supplier's milk payment will be advised monthly to the participating co-op by Finance Ireland.

Can the loan be used to buy land?

Yes, loans with a standard 12-year term may be used to fund land purchases, subject to approval and underwriting criteria, and subject to security undertaking. Land purchase is not permitted with a standard 8-year term.

What happens if milk supply ceases during the term of the MilkFlex loan?

If a Supplier ceases to supply milk to the participating co-op or breaches their Milk Supply Agreement (MSA) during the term of the loan, they will be required to immediately repay any outstanding balance due on the loan on demand.

Can a supplier repay the loan early?

Yes, a borrower can elect to repay – in part or in full – their MilkFlex loan on any monthly payment date during the term of the loan. They will not incur any penalty or cost if they elect to do so.

Is life assurance a requirement before drawing down a MilkFlex loan?

No, the MilkFlex loan product does not require the borrower to take out life assurance. However, we would encourage all applicants to seek independent advice from a Qualified Financial Adviser on whether they should have such a policy in place as the full outstanding Milkflex loan balance is due on demand in the event milk production ceases.

Are there any specific taxation implications of a MilkFlex loan?

All borrowers are advised to seek independent tax advice from a suitably qualified adviser in relation to this loan scheme.

Frequently asked questions

If the MilkFlex triggers are applied for an extended duration, can the term of the Loan be extended indefinitely?

No, the changes to the repayments are designed to allow milk suppliers adjust to the market. The loan period can be extended by a maximum of 2 years for a standard 8 year term and by a maximum of 3 years for a standard 12 year term.

What happens if the Euribor increases or decreases?

MilkFlex is a variable rate product that will move in line with the Euribor rate.

Can a farmer opt out of the price triggers?

The triggers are applied automatically. However, a farmer can – without penalty – choose to make additional payments to fully or partially clear the loan.

What diseases trigger a reduction in the MilkFlex repayment?

Any disease officially listed by the Department of Agriculture as a notifiable disease. The current list is: Bovine Brucellosis, Bovine Tuberculosis, Bovine Leukosis, BSE, Cattle Plague (Rinderpest), Contagious Bovine Pleuropneumonia, Lumpy Skin Disease and Warble Fly.



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Agri

For further information contact us today at:

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Finance Ireland Credit Solutions Designated Activity Company, trading as Finance Ireland, Finance Ireland Motor and Leasing, Finance Ireland Residential Mortgages, Finance Ireland Commercial Mortgages, Finance Ireland Agri, Finance Ireland Leasing, Finance Ireland Premium Finance and Polestar Financial Services, is regulated by the Central Bank of Ireland.

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