



# Organisational Structure & Support Options

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Authors: Grainne Kelliher, James Burke & Martin Bealin



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For the Shared Services or another co-ordinating model to operate, a legal entity would need to be established by the local farmers, fishers and other primary producers. The table below sets out the differences between three ownership options: Co-op, DAC and CLG. Other entities that would be typical of farm enterprises such as Sole Trader and Partnership models are also explained below. A Producer Organisation, which is not a legal entity, is also referenced as it may be something the legal entity may wish to register as to benefit from funding and bargaining power in due course.

### Ownership Model Options:

| Item                                                                              | Co-operative                                                          | CLG                                                                                                                                                                               | DAC                                                                                                                                                                    |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Limited liability                                                                 | Yes (value of the share capital held by the individual members)       | Yes (value of guarantee subscribed to by the member)                                                                                                                              | Yes (limited to the amount unpaid on shares held by members)                                                                                                           |
| Membership                                                                        | Unlimited                                                             | Unlimited                                                                                                                                                                         | Min of 1 shareholder (max 149)                                                                                                                                         |
| Ability to raise funds via share capital                                          | Yes                                                                   | No                                                                                                                                                                                | Yes                                                                                                                                                                    |
| Can reduce or expand share capital                                                | Yes                                                                   | N/A                                                                                                                                                                               | Yes                                                                                                                                                                    |
| Minimum number of members                                                         | 7 persons or 2 co-operatives                                          | 1 (min 2 directors)                                                                                                                                                               | 1 member (min 2 directors and a company secretary)                                                                                                                     |
| Express legislative recognition of voting on basis of member, not level of equity | Yes                                                                   | Yes                                                                                                                                                                               | No (voting rights depend on shareholding)                                                                                                                              |
| Compliance burden                                                                 | Annual return<br>Annual audit<br>Register of beneficial owners return | Conduct annual audit (exemption available subject to certain conditions)<br>Annual Return<br>Returns of changes of directors and officers<br>Register of beneficial owners return | Annual return; Annual audit (exemption available subject to certain conditions);<br>Register of beneficial owners return; Returns of changes of directors and officers |
| Power of nomination of shares                                                     | Yes, up to €15k                                                       | No                                                                                                                                                                                | No                                                                                                                                                                     |
| Taxation status                                                                   | Same for all three                                                    | Same for all three                                                                                                                                                                | Same for all three                                                                                                                                                     |



The following sets out a brief description of the different legal entity options together with what's involved in setting up a Producer Organisation, giving some examples in each case of similar food related enterprises in Ireland.

**Co-op Model:** A co-operative (co-op) would mean the Dingle Peninsula lamb farmers, fishers and other primary producers jointly owning and controlling an enterprise that handles very specific activities e.g., procurement, identity, sales, and shared services, with decisions made on a one-member-one-vote basis. Trading surpluses would typically be returned to members as patronage ("trade") dividends based on how much they supply or buy through the co-op, rather than on how many shares they hold. This keeps the enterprise tightly aligned to producer interests (fair pricing, stable outlet, shared quality standards) and suits place-based food initiatives (e.g., *Dingle Peninsula Lamb / Seafood*) across retail, foodservice, and tourism. The co-op structure also helps with collective bargaining, input savings, and risk-sharing (insurance, compliance, traceability) while protecting the local identity and story.

In practice, members subscribe for co-op shares, elect a board from among themselves, adopt clear bye-laws covering membership rules, pricing/grade specs, pooling, and surplus distribution. The Co-op could partner with approved co-packers; run joint logistics and e-commerce; manage a common QA scheme (SFPA/FSAI compliance), and sign supply & marketing contracts that individual producers might struggle to secure alone. A Dingle Peninsula co-op could also access grant/loan supports more easily for community-benefit projects, invest in cold chain and ready-to-eat lines, and pilot seasonal pop-ups with local hospitality partners.

In some instances, entities which appear as Co-ops are in fact a CLG legal entity operating to cooperative principles. An example of this is The Urban Co-op in Limerick.

An example of an Irish Food Co-op is Castletownbere Fisherman's Co-operative. Its structure is member centric, where members own the co-op, and operations include a large, modern processing plant at Dinish, cold storage, and global distribution networks. This integrated structure allows the co-op to manage the supply chain from vessel to consumer, ensuring quality and efficiency.

Ring of Kerry Lamb was also a farmer led producer co-op (18–20 sheep farmers around the Ring of Kerry) that pooled supply, set common quality specs, and used external processors/distributors to get a branded, Bord Bia QA lamb to local retail/foodservice and online customers.

**CLG Model:** A CLG model is also a possibility and if it were chosen, the model would be co-ordinated and directed from a management board. The board would be part of a CLG whose function would be to promote and run a Dingle Peninsula short food supply chain for meat, seafood and other primary producers.

All primary producers who would be part of the initiative would be members and have voting rights, with the day-to-day governance provided by the board.

Membership would be open to primary producers on the Dingle Peninsula who meet pre-agreed standards. Admission, suspension and exit would be set out in a Membership Policy approved by the board.



The CLG would approve an annual pricing/pooling mechanism, so lamb, seafood and other primary producers understand how their return would be calculated.

The 7-to-9-person board composition would comprise of stakeholders from the following disciplines:

- Primary Producer representatives (3 – 4)
- Processing & operations (could include abattoir owner)
- Finance & governance (accountant or financial advisor)
- Marketing & sales
- Community / consumer voice (representative from local community group)
- Independent chairperson

Many food co-ordinating businesses operate as CLGs. The “Food Enterprise Zone” in Drumshanbo is an example of a CLG which facilitates food enterprise start-ups in that region.

The Cottage Market in Cavan is also a Company Limited by Guarantee (CLG). They style themselves publicly as a community-led social enterprise, but the legal vehicle behind it is a CLG.

**DAC Model:** A Designated Activity Company (DAC) would allow Dingle Peninsula lamb farmers, fishers and other primary producers pool specific activities e.g., processing, marketing, sales, and shared services, under one limited-liability company whose constitution would tightly define what it can do. This “objects clause” would reassure funders and partners (LEADER, BIM, DAFM schemes, banks, retailers) that the company would stick to producer-focused aims such as managing its identity, running e-commerce and wholesale accounts, and coordinating quality/compliance (FSAI/SFPA requirements), without drifting into unrelated ventures.

In practice, members (primary producers) would become shareholders or guarantors, would elect at least two directors, and agree how profits would be used (reinvestment versus distributions). A DAC can ring-fence risk (e.g., product liability, plant leases), negotiate better input costs, centralise logistics, and sign consistent supply contracts with retailers, restaurants, and tourism partners. It is possible to set up a specific DAC, for example, one for a branded “Dingle Peninsula Lamb & Seafood” retail/foodservice line, and another for a processing/tourism venture, so each is clean for grants, insurance, and finance.

An individual could also establish a DAC and source product from other primary producers.

Boyne Valley Food Innovation District is structured as a DAC which is a combination of food hub, producer network and knowledge transfer organisation. Third Barrel Brewing is another example of a Dublin based company set up as a DAC when two separate breweries came together to create a new entity.

**Partnership:** A business partnership is a structure where two or more Dingle Peninsula based primary producers (e.g. lamb farmers, fishers) come together sharing ownership and responsibility for a business. Each partner contributes something valuable, such as money, skills, or labour, and they share in the profits, losses, and decision making.

The partnership agreement should have set clear contribution rules (minimum product volumes or hours), a pricing/revenue-share formula for mixed loads, and an exit/succession clause so



that if a primary producer leaves, the partnership retains the brand, website, and customer list. To reduce personal exposure, the partners could operate day-to-day trading through a simple management company owned by the partners while keeping the partnership as the governing agreement.

Partnerships are often formed through a partnership agreement, which outlines how the business would be managed, how profits would be divided, and what would happen if a partner left or the partnership dissolved. Like sole traders, most partnerships have unlimited liability, meaning the partners are personally responsible for the business's debts. However, the risk and workload are shared among partners, and combining different skills and resources can strengthen the business.

Where multiple primary producers are involved, the partnership model may not work as well. Everyone in the partnership is exposed to everyone else's mistakes and the model can be complicated when adding new or removing retiring producers.

Kilmullen Farm Lamb is a good example of a recently formed partnership, as is Comeragh Mountain Lamb.

**Sole Trader:** A sole trader is a type of business structure where one individual owns and operates the entire business. This person is fully responsible for all aspects of the business, including decision-making, management, and finances. It's the simplest and most common form of business ownership among Irish food and drink companies, especially for small enterprises and self-employed professionals. Setting up as a sole trader is straightforward, with minimal legal requirements compared to companies or partnerships.

However, the key characteristic of a sole trader is unlimited liability, the owner and the business are legally the same entity. This means that if the business incurs debts or legal issues, the owner's personal assets (like savings or property) can be used to pay them. On the positive side, the sole trader keeps all profits after taxes and enjoys complete control over how the business is run, making it ideal for small-scale or start-up micro enterprises.

Primary Producers wouldn't actually own or control this structure as it would all sit with one person and that one person would make all the decisions with no board and no member votes.

**Producer Organisation:** A Producer Organisation (PO) in the food sector is not a legal entity but is a recognised group of primary producers, such as farmers, fishers, or growers, who come together to collaborate and strengthen their collective position in the marketplace. These organisations are formally recognised by the Department of Agriculture, Food and the Marine (DAFM) under EU regulations, particularly within sectors such as fruit and vegetables, beef, sheep, and aquaculture.

A Producer Organisation is typically structured as a Co-operative (Co-op), Designated Activity Company (DAC), or Company Limited by Guarantee (CLG). Its members pool resources to plan and coordinate production, improve product quality, and market their products collectively. One of the key advantages of forming a PO is access to specific DAFM and EU supports. Recognised Producer Organisations can benefit from funding for collective investments, innovation, and sustainability measures.



An example of a Producer Organisation is the Irish Soft Fruit Growers Producer Organisation which allows strawberry and raspberry growers to co-ordinate marketing and quality standards.

### Supports for Individuals and Enterprises

For the food enterprise to be successful, it is envisaged that stakeholder supports would be put in place. These supports will take the form of mentoring, coaching, professional advice and training. Access to funding will also be a key support required. Areas identified where supports may be required are as follows:

### Training, Supports and Knowledge Transfer

| Support Heading                      | Supports Required                                                              | Applies to                                                                |
|--------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Governance & Organisation            | Legal structure, member agreements, roles                                      | Board, primary producers                                                  |
| Strategy & Route-to-Market           | Channel prioritisation, rollout phasing, partner selection                     | Board, primary producers, abattoir                                        |
| Product & Specification              | Carcass specs, cut plans, packaging formats                                    | Primary producers, abattoir, Board, Coordinator                           |
| Food Safety, HACCP & Compliance      | HACCP, allergen control, recall drills, registrations                          | Abattoir, Board, Coordinator, retailers, foodservice, markets, food truck |
| Traceability, Labelling & GS1        | Batch flows, barcode setup, bilingual labels, claims                           | Primary producers, abattoir, Board, Coordinator                           |
| Operations & Cold Chain              | Chill SOPs, temp logs, market-day practice                                     | Board, Coordinator, abattoir, primary producers and food truck            |
| Logistics & Fulfilment               | Route planning, crate/tote pool, delivery windows, PODs                        | Board, drivers, retailers, foodservice                                    |
| Digital Systems & Data               | Order/inventory/e-commerce, portals, dashboards                                | Board, Coordinator, primary producers                                     |
| Finance, Pricing & Margin            | Unit economics, trade terms, cash flow, credit control                         | Board, Coordinator, primary producers                                     |
| Funding & Grants                     | Scheme mapping, applications, drawdown, reporting                              | Board, Coordinator                                                        |
| Marketing, Branding & Communications | Brand toolkit, POS, content calendar, PR                                       | Board, Coordinator                                                        |
| Sales & Key Account Management       | Buyer onboarding, EPOS sharing, promo planning                                 | Board, Coordinator                                                        |
| Procurement & Supplier Management    | Labels/packaging, equipment, service SLAs                                      | Board, Coordinator, abattoir                                              |
| Training & Micro-Credentials         | Food Safety L2, HACCP, manual handling, GS1 basics                             | All                                                                       |
| Mentoring & Coaching                 | Leadership coaching, finance for non-financial managers, marketing skills, etc | Primary producers, Coordinator                                            |



|                                       |                                                       |                                                                  |
|---------------------------------------|-------------------------------------------------------|------------------------------------------------------------------|
| Workforce, HR & Scheduling            | Recruitment, rotas, induction, CPD plans              | Board, Coordinator                                               |
| Sustainability & Circularity          | Packaging reduction, food miles, waste/by-product use | Board, Coordinator, primary producers, abattoir                  |
| Risk, Insurance & Business Continuity | Product/public liability, contingency plans           | Board, Coordinator, primary producers                            |
| Legal & Contracts                     | Supply agreements, data sharing, IP/brand use, SLAs   | Board, Coordinator                                               |
| Facilities & Equipment                | Chill space, vans, label printers, market kit         | Board, Coordinator                                               |
| Community & Stakeholder Engagement    | Tourism links, events, advisory groups                | Board, Coordinator, primary producers, retailers and foodservice |
| Monitoring, Evaluation & KPIs         | ROS, waste, training completion, etc                  | Board, Coordinator, primary producers                            |

Funding supports will be an important early-stage assistance to the enterprises and grants, and funding will be harnessed through the National Enterprise Hub available funders. While all funding sources will need to be explored, it is probable that the project brief might align best with some of the following, each of which will need to be assessed for suitability and project match:

- LEADER
- Local Enterprise Offices
- Údaras na Gaeltachta
- Clann Credo (community loans)
- DAFM
- BIM
- FLAG

