



Comhpháirtíocht Leader Waterford Leader
Phort Láirge Partnership

Decision of Evaluation Committee

Project ID	31LDRWAT110525
Project Type:	Enterprise, Food
Project Name:	Knockanore Farmhouse Cheese Co. Ltd
Promoters Name:	Knockanore Farmhouse Cheese Co. Ltd
Address:	Ballyneety, Knockanore, Co. Waterford
Description:	The project involves the extension to the cheese making facility and the purchase of new machinery to increase production capacity in a cost effective and efficient manner.
Theme:	Local Objective 2, Enterprise,
Sub-theme:	Strategic Action 2.2 Food
Link to LDS	Local Objective 2, Enterprise

Total Project Costs	€397,550.		
Eligible Project Costs	€397,550.		
Funding sought by promoter:	€182,775 or 45.975%, whichever is the lesser amount		
State one of the following: - First Review / Previously Deferred or Not Recommend	Second Review as the recommendation was deferred for Further Information on Employment Numbers and Salaries		
Funding recommended by Evaluation Committee:	€159,020 or 40% of the total project applied, whichever is the lesser amount		
Details of private funding:	€104,810 & €66,695.12 cash/money in bank €78,000 Loan/bridging finance		
Voluntary Labour: YES / NO (If yes provide detail)	No		
Synopsis of project:	Extend the range of cheese moving from an artisan producer to a commercial one.		
Detail exactly what WLP will be funding (List items from Project Assessment Report)	Detail	Total Cost (Expenditure)	Grant Aid recommend by the Evaluation Committee @ 40 %
	Peg Mill	24500	9800
	Ice Builder	47500	19000
	Pasteuriser	46000	18400
	Vacuum & Bowl	115655	46262
	Taping Machine	2650	1060

	Auto labeller	73745	29498
	Rebranding	5000	2000
	Construction	82500	33000
Total Funding		397550	159020
Was an assessment completed? Date:	10th of June and 14th of June 2019		
Are detailed costings provided for the project? Were the costs for the project considered reasonable and how was this measured?	The promoter sought and received quotations for each item under Category 2 of the LEADER Rules. 5 Quotations for the Building.		
Where the procurement process resulted in less than 3 quotes, the EC must show the additional steps taken to ensure the reasonableness of costs:	Where this occurred, there is email evidence to demonstrate that reasonable efforts were made to obtain relevant quotations.		
Innovative Element of the project:	The investment will assist in increasing production capacity in a cost effective and efficient manner in a family owned alternative enterprise that has been built from scratch.		
Consideration of Deadweight:	The Evaluation Committee agreed that deadweight is not an issue as without funding this project will proceed at a much lesser level.		
Consideration of Displacement:	Displacement is not an issue as the number of commercial artisan manufacturing operating in the promoter's area of operation is limited.		
Economic justification for project:	The project fits in with the Co Waterford LCDC Plan for enterprise projects.		
Average Score for Project:	81/100		
% level of aid & ceiling:	€159,020 or 40% of the total project applied, whichever is the lesser amount		
E. C. Executive Summary/Rationale for Funding	The Evaluation Committee agreed to recommend funding this project for the following reasons: - 1. The majority of the Evaluation Committee agreed that funding this project will help the promoter enhance the sustainability of the business and allow it to diversify its product range for new market opportunities. 2. The project scored 81/100 Amount Recommended: €159,020 or 40% of the total project applied, whichever is the lesser amount		

Jobs Created	Jobs Sustained	Match Funding	Previous Grant Aid Received
2 - 3	6 Fulltime	Yes	Yes – 2007 -2013 LEADER Programme
	3 Part Time		
	1 Seasonal		

Confirmation that agencies / communities are supportive of the proposed project.	Date of Confirmation	Signed By
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Waterford LEO confirmed that there was no Duplication or issue with De Minimus	22/05/2019	B. Kirby
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First Evaluation meeting on the 10th June 2014

The following were the main points raised in the discussion of the project: -

- Mr Jimmy Taaffe briefly outlined the project advising that the promoter intends to extend the range of cheeses produced and move from an artisan cheese producer to a commercial one. The promoter is aware of the reality of Brexit and have examined the effects it will have on the business. They are proposing to build an extension, purchase additional equipment including a Pasteuriser and by rebranding.
- A Committee Member noted that he had visited the premises previously and was very impressed with the set up and how it was run. He noted that the promoter has left the running of the farm in the hands of a Manager and is now fully focused on the Cheese production business.
- Mr Jimmy Taaffe said that as well as the Farm Manager that the promoter has also put in an Office Administrator and understands the importance of having good core staff.
- The Committee expressed concerns on the structure of the business noting that if the promoter was not available then there was no one else to run the business. Mr Jimmy Taaffe advised that the wife, a retired teacher, is now involved in the business. It is planned that their son who is a qualified accountant will become involved also.
- A Committee Member noted that for such a large amount of funding there is very little job creation. A discussion ensued that how improving the processes in such instances sometimes removes the human element. While the machinery may increase it will still be operated by the one individual, but production will increase.
- The number of employees was discussed, and a concern was expressed that the salaries appear to be very low. It was noted that cheese production does not occur for two months each year.
- A Committee Member queried if the promoter hoped to compete with the likes of Dubliner & Kilmeaden Cheese. Mr Taaffe confirmed that the aim is to produce an own brand for sale to Aldi & Lidl type markets.
- The demand for the produce was queried with it being noted that there is a huge number of different cheeses now available.
- The Evaluation Committee agreed that the promoter has a great track record and is a very good operator.
- The discussion returned to the number of employees; stated within the application it lists 6 full time, 2 part time and 1 seasonal. It was noted that the wages shown would not cover minimum wage. It is being proposed that funding may create an additional 2 jobs.
- The turnover at .5m was considered quite small. Mr Jimmy Taaffe said as an artisan producer the cheese business in in addition to the farm income but as a commercial enterprise it will hope to increase turnover.
- It was advised that regardless of size the promoter will be required to attain the same standards of other commercial producers. The standards of operation will be audited by the Dept. Agriculture and tested thoroughly.
- The Evaluation Committee agreed that funding this project will help the promoter enhance the sustainability of the business and allow it to diversify its product range for new market opportunities but had a few queries it wished addressed before making a recommendation.

The Evaluation Committee agreed to request the following information: -

- Clarify the Management Structure in relation to the sustainability of the company
- Confirm if the directors are taking a salary?
- Detail exact numbers of full time, part-time and seasonal staff as payroll appears extremely low for figures listed in the application.

Second evaluation on the 14th June 2019

The following were the main points raised in the discussion of the project: -

- Mr Jimmy Taaffe advised that the replies to the queries raised in relation to the management structure and salaries were circulated for review. The promoter who is working full time and his wife who is working part-time do not draw a salary. So, without including the promoters there are 5 full time, 1 seasonal and 2 part-time employees.
- The wife is a retired schoolteacher on full pension and the promoter has the land leased to his farm manager and gets his income from that. A discussion ensued on the tax benefit of leasing land and how you can get the first €40,000 tax free if leased for 10 years.
- The son is currently an accountant with KPMG and is leaving that position in August to gain work experience in food marketing prior to coming into the business late 2021. The promoter will work with his son to ensure a smooth handover and he also has Donal O Callaghan (Farm Manager) and Eleanor Howard (Office Administrator) as two key people within the organisation.
- A Committee Member noted that a salary breakdown was not provided and that the figures paid, appear to be very low.
- There was also a concern raised that no proper business or marketing plan was provided with the application, just an executive summary. Mr Jimmy Taaffe expressed the opinion that the promoter is a very shrewd operator and is excellent at marketing his product and that he has every confidence that he will make a success of the project.
- It was noted that Brexit and the falling demand for cheese will have a knock-on effect and concerns were expressed that the Aldi & Lidl contracts may not be renewed. The Committee agreed but said that no food company or other types of businesses get guaranteed contracts noting that guaranteed contracts are not the norm in business.
- Comparisons were made to funding steel businesses. They too were small companies in rural areas providing a small number of low paid jobs but following funding were successful at growing their business and the number of employees and their pay increased.
- A Committee Member stated that the promoter runs an excellent operation to the highest standards noting that he is at a crossroads and needs to grow to continue being successful and bring the company to the next stage.
- The possibility of removing different elements of the application from funding including the building and the rebranding was discussed. A Committee Member noted that the extension is necessary to house the new equipment and pasteurisations process and that the promoter is right to refresh his brand if targeting new markets and disagreed with these elements being removed.
- A Committee Member expressed the opinion that job creation is low given the amount of funding being sought. Mr Jimmy Taaffe advised that the promoters are striving hard to put proper processes and staff in place as they see their future in commercial cheese production. Over time the salaries will improve.
- Mr Jimmy Taaffe said that the concerns of the Evaluation Committee regarding salaries could be relayed to the promoter. A discussion ensued on how this would be phrased and if it should be inserted as a condition or not.
- It was agreed that if the promoter did not expand and move into pasteurisation which will open new markets for him then his business will not be sustainable.
- The majority of the Evaluation Committee agreed that funding this project will help the promoter enhance the sustainability of the business and allow it to diversify its product range for new market opportunities.
- One Committee Member expressed their reservations about funding the project given the low figure for wages and the lack of a proper business or marketing plan.
- Following an indebt discussion around job creation and the possibility of removing elements of the proposal from funding it was agreed to reduce funding to 40% of eligible expenditure.

The Evaluation Committee agreed to recommend this project with the following conditions: -

Funding reduced to a maximum of 40% or €159,020.00 whichever is the lesser.

Amount Recommended: A maximum of €159,020 or 40% of eligible expenditure whichever is the lesser.	40% of Eligible Project Funding:
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Signed: _____ **Signed:** _____

Chairperson of Evaluation Committee **Committee Member**

Date: _____ **Date:** _____

Issues / Queries raised by Evaluation Committee	Project Officers Response
The 40% is based on a full investment of the €397550	This will be put in the Letter of Offer
Salary Levels	Funding reduced to 40%

Signed: _____ **Dated:** _____

WLP Project Officer

Please insert photos below of reference purposes:

(for example, a photo of the building to be renovated/machinery being purchased, etc.)



Overall Evaluation Committee Scoring Record

Date: 14th June 2019

Time: 9am

Project Title: Knockanore Farmhouse Cheese

Project Reference Number: 311DRWAT110525

Assessment Criteria	Objective	Issues raised by Evaluation Committee	Weighting	Score
Compatibility with Local Development Strategy	Do the project proposals meet the criteria set out in the LAG business plan for the relevant measure?		Yes / No	
Innovation	Is the product innovative in its nature and does it displace existing enterprises? - Product / Service 9/19 _____ - Displacement 5/19 _____ - Job Creation 5/19 _____		19	15
Promoters experience	Does the promoter have the training/skills, track record or experience to deliver? - Standards of Operation 6/25 _____ - Track Record 6/25 _____ - Structure of Business 6/25 _____ - Necessary skills base 7/25 _____		25	21
Financial Viability	Are the project costs justifiable (reasonableness of costs) and / is funding available to co-fund the project? - Overall Costs 7/25 _____ - Co Funding 6/25 _____ - Financial Plan 6/25 _____		25	20

	Deadweight	6/25		
Sustainability	Is the project viable and will the service continue to be delivered?		13	10
Requirement	Does the proposal target a specific need or address a specific gap in the market?		18	15
Total			100	25

N.B. Project must receive a minimum score of 65% prior to being recommended for approval.

- Has the potential level of deadweight been assessed for this project? YES / ~~NO~~
- i.e. would the project proceed without LEADER funding? YES / NO

Recommendations of the Evaluation Committee: Approved

Signature: [Signature]

Signature of Evaluation Committee Chair

Date: 14th Feb, 2019

Denise Walsh

From: pclerkin@cablesurf.com
Sent: Friday 21 June 2019 15:35
To: Denise Walsh
Subject: Re: draft evaluation minutes

Hi Denise,

I confirm that I am in agreement with draft minutes of meeting of 14th June 2019.

Regards Paul.

Enjoy the break. It is only today that I am back on email.

On 2019-06-21 11:08, Denise Walsh wrote:

> Hi Paul,
>
> Attached please find the draft evaluation minutes for you to review.
> I am away next week but if you want any amendments please call
> Angeline and she will revise them for you.
>
>
> Thanks & Regards,
>
> Denise Walsh
> Administrator / Riarthóir
> Waterford Leader Partnership CLG
> Lismore Business Park,
> Mayfield,
> Lismore,
> Co. Waterford.
>
> Charities Regulatory Authority No.20070748
>
> F: <https://www.facebook.com/WaterfordLeaderPartnership>
> T: <https://twitter.com/wlpleader>
> P51 XVP6
>
> Ph: 058-54646
> Email : denise.walsh@wlp.ie<<mailto:denise.walsh@wlp.ie>>
>
> PLEASE LIKE US ON [cid:image001.gif@01CDC7FB.232C0AA0]
> <<https://www.facebook.com/#!/pages/Waterford-Leader-Partnership-Ltd/314110866284?fref=ts>>
>
> Unsubscribe - Reply and state Unsubscribe
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> P:\Logos\RD 2014_2020\leader.jpg] [Description: P:\Logos\RD

> 2014_2020\Dept of Rural & Community Development.png]

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> Tá an ríomhphost seo agus aon iatán a ghabhann leis rúnda agus is d'
> úsáid an té/na ndaoine a bhfuil sé seolta chuige/chucu, amháin é.
> D'fhéadfadh an t-ábhar a bheith faoi réir ag pribhléid dhlíthúil agus
> ghairmiúil. Mura seolaí ainmnithe nó ceaptha an ríomhphost seo tú,
> níor chóir duit an teachtaireacht seo, nó aon mhír de, a úsáid, a
> scaoileadh, a chóipeáil, a scaipeadh nó a choimeád. Más amhlaidh go
> bhfuair tú an ríomhphost seo trí earráid nó trí dhearmad, iarrtar ort
> sin a chur in iúl don seoltóir láithreach bonn, le do thoil agus aon
> chóip den ríomhphost seo a scríosadh ó do chóra(i)s ríomhaireachta.
> Seiceáladh gach iatán le scanóir aimsithe víreas agus ceaptar iad a
> bheith saor ó víreas. Iarrtar ort áfach, a dheimhniú go ndéanfar gach
> teachtaireacht a scanadh ar fhaitíos víris, mar nach féidir aon
> dliteanas a ghlacadh maidir le haon ionfhabhtú nó damáiste a dhéantar
> do do chóras ríomhaireachta tríd an ríomhphost seo a fháil.

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