

An Assessment of the Impact of Rural Non-Farm Development on the Viability of Ontario's Agricultural Industry



October 2003

Phase II Report

**Rural Non-Farm Development: Its Impact on the
Viability and Sustainability of Agricultural and Rural
Communities**

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Overview

This report is the third of a series of three reports on the topic of Rural Non-Farm Development: and its Impact on Agricultural and Rural Communities. This report reviews the results of Phase II of a research project documenting the impact of rural non-farm development on agricultural communities.

The other two reports in the series are entitled:

1. Farmland Preservation: An Assessment of the Impact of Rural Non-Farm Development on the Viability of Ontario's Agricultural Industry – LITERATURE REVIEW. Written by Dr. Wayne Caldwell and Claire Dodds-Weir. 2003.
2. Ontario's Countryside: A Resource to Preserve or an Urban Area in Waiting? A Review of Severance Activity in Ontario's Agricultural Land During the 1990s. Written by Dr. Wayne Caldwell and Claire Weir. 2002.

All three reports are products of a research project called Rural Non-Farm Development - Its Impact on the Viability and Sustainability of Agricultural and Rural Communities.

All three reports are available on the following website:

www.waynecaldwell.ca

Acknowledgements

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Without the support of the 34 counties and regions in this study, the data required for this project would not have been compiled. Thanks to the planning directors, planners, land division secretaries and staff at each of the counties and regions in this study for access to your files to compile this research. Thank you to the planners and farm leaders from municipalities selected as the case studies and the provincial commodity groups who participated in this research.

Finally, thanks to the Ontario Ministry of Agriculture and Food for providing the funding to conduct this important research.

Executive Summary

This report is the final report in a series of three reports on the topic of Rural Non-Farm Development: and its Impact on Agricultural and Rural Communities in Ontario.

Prior to this research there was no accurate count of the number, type or distribution of new rural non-farm lots created during the 1990s, nor an understanding of the impact of these lots on the agricultural industry. This has made it difficult to truly understand the impact of severance policies on the continued viability of Ontario's agricultural industry.

In order to fill this gap in knowledge the following goals for this research were established:

1. Identify the impact of rural non-farm development on Ontario's agricultural industry;
2. Develop recommendations to assist rural communities and policy makers respond to rural non-farm development and encourage the long-term viability of Ontario's agricultural industry; and
3. Understand patterns and trends in rural non-farm development in Ontario's agricultural land during the 1990s.

Each of these goals have been met through the course of this study and documented through Phase I and II of this study.

The central and encompassing observation of the study is that the presence of rural non-farm development limits agriculture's ability to respond to changing trends.

Rural non-farm development impacts agriculture by:

- Physically removing agricultural land from production;
- Fragmenting the agricultural land base; and
- Imposing minimum distance separation, thereby potentially restricting a farmer's ability to expand or change their means of agricultural production.

All of these impacts have the potential to limit the flexibility of agricultural producers.

This study has explored the impact of rural non-farm development on the viability of Ontario's agricultural industry. By identifying the number of rural non-farm lots that have been created, the study has established for the first time a comprehensive understanding of number and distribution of rural non-farm lots created in Ontario's agricultural land during the 1990s.

This study undertook five case studies, with four geographic studies in Niagara Region, Grey County, Perth County and Waterloo Region focusing on the perceived impacts felt by planners and farm leaders in each county and region. The fifth case study explored the perception of farm leaders from eight provincial commodity group representatives.

The purpose of these case studies was to gain information that leads to an explanation of the impact of rural non-farm development on Ontario's agricultural industry.

The findings of the case studies were analyzed and conclusions were drawn, with the most commonly experienced impacts indicated. Based on these conclusions, the impact of rural non-farm development on the viability of Ontario's agricultural industry can now be considered and future direction can be suggested.

Trends in Rural Non-Farm Development During the 1990s in Ontario's Agricultural Land

- Almost 80% of the new lots (12,364 lots) created during the 1990s introduced a strictly residential use into the province's agricultural resource.
- The trend in rural non-farm development during the 1990s was an overall decrease in the creation of lots.
- This decrease was a function of stronger and more restrictive policies that limit the creation of rural non-farm development.
- Rural non-farm development is distributed unevenly throughout Ontario's Counties and Regions. As a result, the impact felt by the agricultural industry is also varied.

The Phase I Report entitled, *Ontario's Countryside: A Resource to Preserve or an Urban Area in Waiting – A Review of Severance Activity in Ontario's Agricultural Land During the 1990s*, provides more detailed information about trends in rural non-farm development in Ontario during the 1990s. This report is available at the following website: www.waynecaldwell.ca.

Impact of Rural Non-Farm Development on the Viability of Agriculture in Ontario

The impacts identified in this study are not necessarily reflective of all potential impacts on each individual sector of the agricultural industry within Ontario. Identifying the impacts on such a diverse industry is particularly complex. Rather, the impacts identified in this study are based on recurring impacts that were established within and between the case studies that were used for the purpose of this research.

- The results from the case studies data demonstrate that agriculture is generally negatively impacted by the presence of rural non-farm development.
- The most significant impact of rural non-farm development on agriculture is the introduction of minimum distance separation as a result of a residential use being established in the countryside.
- The minimum distance separation imposed on a livestock operation reduces the flexibility of an operation to expand and change forms of production in response to changing trends in the agricultural industry.
- Although "farm-related" severances (i.e. retirement lots and surplus dwellings) are often treated differently in official plans they have the same impact as rural non-farm development not associated with farming.

- The findings of this research conclude that there are counties and regions where the future of the livestock industry may be in jeopardy because of the high number of rural non-farm lots and the minimum distance separation that they introduce.

Recommendations to Encourage the Long-Term Viability of Ontario's Agricultural Industry

The recommendations identified in this paper are based on the findings of the case study interviews, as well as the researcher's personal experience.

- Rural non-farm development must be restricted in agricultural areas.
- Municipalities must implement strong severance policies in order to ensure Ontario's farmers have the flexibility required to respond to changing trends in agriculture.
- In order to develop strong local policies to limit the creation of rural non-farm development at the municipal level, both planners and politicians must be aware of the composition and importance of agriculture to the local economy.
- Planners and politicians must understand how the actions they take impact the agricultural resource and the agricultural industry.
- Policy makers must be concerned with the cumulative impact of rural non-farm development on the viability of the agricultural industry.
- The impact of rural non-farm lot development on the agricultural resource must be fully considered as part of provincial and local Smart Growth Strategies.
- Communities must be educated about the importance of agriculture, and current agricultural practices, about the significance of Ontario's agricultural resource.

Conclusion

While there is an overall provincial trend toward the creation of fewer rural non-farm lots in agricultural land, the creation of each additional lot adds to the cumulative effect of fragmenting the agricultural land base and thereby continues to impede agricultural production.

The continued viability of agriculture in rural Ontario is at least partially dependent upon the ability of the farm operator to identify the changing trends in agriculture and respond accordingly. The ability of the farmer to respond, however, is increasingly affected by the cumulative presence of non-farm development.

Based on levels of rural non-farm development within some counties and regions in the province, there are certain areas where the long-term viability and opportunities for the livestock sector is threatened.

While historically we have judged the natural advantages of an area for agricultural production based on climates and soils, the agricultural community must now increasingly consider the impact of indiscriminate rural non-farm development as an impediment to agricultural production.

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Chapter One: Introduction

1.1 Introduction

This report examines the impact of rural non-farm development on the viability of the agricultural industry in Ontario. Rural non-farm development is the creation of new lots in agricultural land, which generally introduces a new land-use not directly related to agriculture. The most common type of non-farm development is the creation of residential lots. With the exception of the creation of new agricultural parcels, residential uses related to farming may have a connection to agriculture when they are originally severed, but very few remain connected to agriculture in the long-term. The creation of these types of lots within agricultural land means not only is physical farmland being lost, but restrictions that tend to accompany the gradual introduction of non-farm uses in agricultural areas also threaten production within the agricultural land base.

At the same time as these rural non-farm lots have been created in the countryside, many farmers in Ontario have decided to intensify their agricultural operations in order to remain competitive. Ontario's agricultural industry is one of the most intensive in Canada. Increasingly, farmers have been expanding their operations by enlarging their land base. The average farm size in Ontario has increased 24.9%, from 181 acres in 1981 to 226 acres in 2001 (Statistics Canada, 2001b). There has been a significant increase in certain types of agriculture during the 1990s. For example, between the period 1996 and 2001, there has been increased intensification in some types of livestock, especially in the hog sector, with a 22.1% increase since 1996 to 3.5 million pigs (Statistics Canada, 2001b). Agriculture is also under pressure from local nutrient management by-laws and the new regulations under the Nutrient Management Act (Bill 81, 2002). As agriculture expands, more land is required to fulfill the manure spreading requirements of local by-laws and provincial regulation.

As rural non-farm development continues and the agricultural industry in Ontario intensifies there appears to be a battle for the countryside. This battle is made evident by newspaper headlines such as – "OPEN WARFARE...Proposed Land Severances Likely to Lead to Clashes" (K-W Record, 1992) and "Death By a Thousand Cuts" (Globe and Mail, 2002, B18).

Numerous conflicts between scattered rural development and an increasingly industrial farm sector have been documented (Caldwell and Williams, 2003). The capability and continued viability of farmers to farm in Ontario is increasingly affected by the presence of scattered rural residential development. The potential for this conflict has risen with on-going severance activity and an intensifying agricultural industry.

The continued viability of agriculture in rural Ontario is at least partially dependent on the ability of the farm operator to respond to changing trends in agriculture. Literature has identified that the ability of a farmer to respond is increasingly affected by the

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presence of non-farm development (Daniels & Bowers, 1997; Fuller, 1984; Foodland Guidelines, 1978; Rawson, 1976; Rodd, 1976). Regulations under Bill 81, the Nutrient Management Act (2002) and revised Minimum Distance Formula (1996) indicate that increasingly agriculture is restricted by the presence of non-farm development. The question arises as to what extent producers must now consider the impact of indiscriminate rural non-farm development as an impediment to agricultural production.

In order to ensure the viability of the agricultural industry in Ontario, it is important to document and assess the impact of rural non-farm development. This research examines both the direct impact of rural non-farm development on the viability of Ontario's agricultural industry through surveying data on the physical creation of rural non-farm development, and the perceived impact of rural non-farm development through conducting an analysis of several case studies across Ontario.

1.2 Problem Statement

Only 5% of Canada's total land mass is considered prime agricultural land (CLI Class 1, 2, and 3) (Statistics Canada, 2001c). Ontario has 16% of Canada's prime agricultural land (Class 1, 2, and 3), and 52% of Canada's Class 1 agricultural land (Statistics Canada, 2001c). In Ontario, over 18% of Class 1 land is being used for urban purposes (Statistics Canada, 2001c). This productive land combined with an advantageous climate contributes to Ontario producing 23% of the country's total farm sales. Much of the documentation on agricultural land loss has focused on the land lost as a result of the expansion of urban areas. There is no conclusive documentation regarding the amount of prime agricultural land that has been lost to rural non-farm uses.

These statistics only account for the physical land area that has been lost. They do not examine the impact felt by the agricultural industry as rural non-farm uses expand. In fact there has been very limited monitoring and research conducted on the impact of rural non-farm development during the 1990s in Ontario. Much of the literature that informs this body of knowledge was written in the 1960s, 70s and 80s. An accurate count of rural non-farm lots created in Ontario since the early 1990s does not exist. The implications of these new rural non-farm lots on the viability and sustainability of the agricultural community in Ontario are not known. This makes it difficult to predict or understand implications for Ontario's agricultural industry. The focus of this research is to assess the creation and impact of rural non-farm development on Ontario's agricultural industry during the 1990s.

1.3 Report Organization and Structure

This report presents the results of the second phase of a research project entitled, *Rural Non-Farm Development: Its Impact on the Viability and Sustainability of Agricultural and Rural Communities*.

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Phase I of this research project reviewed the number, distribution and type of severances that took place in agricultural land across Ontario during the 1990s. Phase I report was published in September 2002 by Dr. Wayne Caldwell and Claire Weir and is entitled – A Review of Severance Activity in Ontario Agricultural Land During the 1990s. This report is available at www.waynecaldwell.ca.

Phase II of this research project looks at a number of case studies and provides further analysis of the implications of the findings of Phase I on the long term future for agriculture in the Province of Ontario.

This report has been organized into distinct chapters. Chapter Two provides some background information and a general review of methodology used in this research project.

Chapter Three presents results of the survey of the creation of rural non-farm lots during the 1990s in Ontario.

Chapters Four and Five present results from four geographic (or municipal) case studies and a provincial commodity group case study. Each of these case studies reports the results of planners and farm leaders perceptions of the impact from rural non-farm development.

Analysis of the data collected during the five case studies is presented in Chapter Six. The results of the case study interviews are compared within and between case studies. They are also compared to patterns established within the literature. The results of the data analysis will be used to develop recommendations for future policy development.

Chapter Seven summarizes key findings, makes recommendations to encourage the long-term viability of Ontario's agricultural industry and makes suggestions for further analysis and research.

Chapter Two: Background

2.1 Introduction

Ontario is blessed with some of the best farmland in Canada. Agricultural land is one of Ontario's most important resources. Literature identifies that as urban boundaries continue to expand and as rural non-farm development increases in the countryside, Ontario's agricultural resource becomes increasingly scarce, and the viability of the agricultural industry it supports becomes increasingly challenged. The New Webster's English Dictionary defines viable as "possessing the ability to grow and develop". While the viability of the agricultural industry is an incredibly complex issue, influenced by national and international laws regulations and markets, it has been recognized that development that occurs in proximity to agriculture also has an impact on the viability of agriculture.

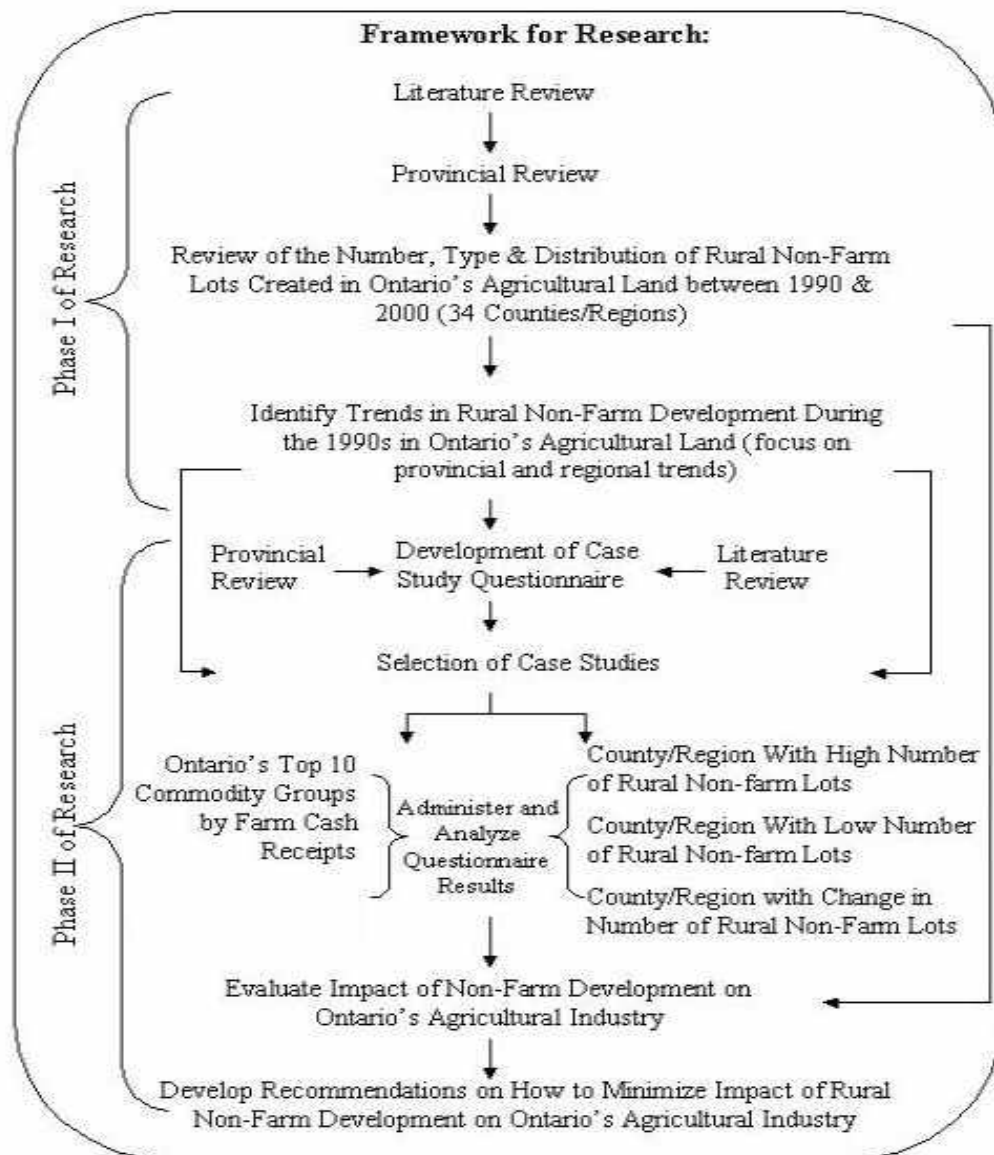
While there are a number of perspectives on the specific impacts of rural non-farm development on the agricultural industry, the majority of authors who have written on the subject agree that there is some impact as a result of non-farm development establishing in an agricultural area. In his review of evolution of agricultural land preservation in Ontario and specifically in Huron County, Caldwell (1995) identified that the long-term welfare of many rural communities is dependent upon the preservation of the agricultural land resource. Caldwell also stated that "not only is the physical loss of farmland a threat to an active agricultural industry, but so too are the restrictions that tend to accompany the gradual introduction of non-farm uses in agricultural areas" (1995, p.22). This conclusion is reflected in the literature that discusses the impact of non-farm development on the agricultural industry.

To review a summary of the literature written on this subject please refer to the report – Farmland Preservation: An Assessment of the Impact of Rural Non-Farm Development on the Viability of Ontario's Agricultural Industry – Literature Review – available at www.waynecaldwell.ca.

2.2 Framework for Research

The following diagram describes the framework for conducting the research.

Figure 2.1 Framework for Research



The research for this project has been conducted in two phases. During the first phase data was collected regarding the number and purpose of non-farm lots that have been created on agricultural lands in Ontario between 1990 and 2000. The second phase gained insight into the impact of these non-farm lots on the viability and sustainability of the agricultural community. As a result the following methodology will be described in the corresponding two phases.

2.3 Phase I Methodology

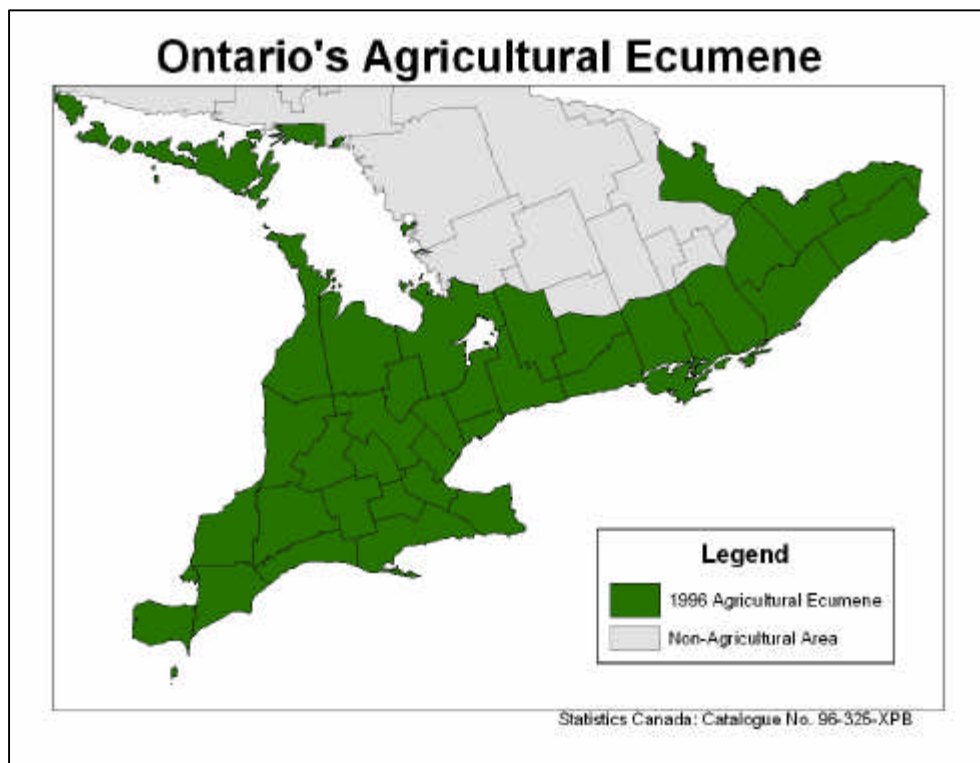
Survey: Inventory of Rural Non-Farm Development in Ontario's Agricultural Land During the 1990s

2.3.1 Identification of Survey Study Areas

Due to the specific purpose of this research, the study area was limited to those Counties and Regions in Ontario with significant agricultural land. A combination of information from the 1996 Agricultural Census was used to identify the counties and regions to be included in this study.

Based on the 1996 Agricultural Ecumene published by Statistics Canada and information from the 1996 Agricultural Census on Total Farm Sales by County/Region (sales over \$36 million – cut off between counties and regions with significant agricultural land), 34 Counties/Regions were identified to be included in this study.

Figure 2.2 Ontario's Agricultural Ecumene



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The following Counties/Regions are included in this study:

Brant County	Hastings County	Perth County
Bruce County	Huron County	Peterborough County
Chatham-Kent	Lambton County	Prescott and Russell County
Dufferin County	Lanark County	Prince Edward County
Durham Region	Leeds and Grenville County	Renfrew County
Elgin County	Lennox and Addington County	Simcoe County
Essex County	Niagara Region	Stormont, Dundas & Glengarry County
Grey County	Northumberland County	City of Kawartha Lakes
Haldimand-Norfolk Region	Ottawa-Carleton	Waterloo Region
Halton Region	Oxford County	Wellington County
City of Hamilton	Peel Region	York Region

2.3.2 Research Design

Primarily descriptive, the first phase of the research was comprised of conducting a literature review; a provincial review of existing data and consent-granting authority; and a survey of rural non-farm lots and new farm parcels that have been created in Ontario's agricultural land over the 1990s.

2.3.3 Data Collection

Prior to the collection of data regarding severance activity, a basic questionnaire regarding which level of government (upper tier or lower tier) has the authority to grant severances, where the information about severance activity is stored and in what form is it stored (ex. database or individual files), was sent to each of the counties and regions identified in the study.

All severances granted, between 1990 and 2000 that have occurred in land identified as agricultural in a local official plan in the study area, were counted. Data was collected from files where a new lot was created in an area designated as agricultural by a local official plan. The land use of the severed and retained parcels, the size of parcels, the municipality the new lot has been created in and the corresponding file number were collected from the severance file. This information was collected from the severance applications and verified with the planning reports enclosed within the files.

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2.4 Phase II Methodology

Case Studies: **Assessment of Impact of Non-Farm Development on the Viability of Ontario's Agricultural Industry**

2.4.1 Selection of Case Studies

The case studies for the second phase of the research were selected based on the data gathered in the first phase of the research. The areas used as a case studies include:

Niagara Region	One County or Region which has a high number of rural non-farm lots created during the 1990s;
Region of Waterloo	One County or Region with a low number of rural non-farm lots and has significant development pressure;
Perth County	One County or Region with a low number of rural non-farm lots without significant development pressure;
Grey County	One County or Region where there has been a significant change in the amount of non-farm development created throughout the 1990s.
The top 10 commodities groups in Ontario (represented by farm sales, Statistics Canada, 2001).	Cross-section of provincial commodity groups. Examples: Dairy Farmers of Ontario, Ontario Cattlemen's, Ontario Pork.

The case studies were chosen for the purpose of investigating the impact of non-farm development on the agricultural industry in the respective areas and also to highlight this impact under different policy situations.

2.4.2 Research Design

The second phase of this research takes the descriptive data collected in Phase I and provides insights and explanations of the impact felt by the agricultural community from non-farm development. In addition to identifying the impacts of non-farm development, this phase of research also examines the best management practices used in Ontario to minimize the impact from the presence of non-farm development. This phase of research has been conducted primarily through the use of case studies.

2.4.3 Data Collection

For each case study, the interview respondents were selected through strategic sampling methods. This research is exploratory, which tends to be less interested in obtaining a large representative sample of people or situations. The research in this

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phase relies on strategic sampling from insightful informants or revealing situations. The best interview respondents are considered as people who are either very familiar with or very new to a situation (Palys, 1997).

Respondents targeted were planners with knowledge of the policies regarding non-farm development in their jurisdiction, and of the development of these policies and their implementation. They also have some knowledge of the impact of the policies on the agricultural community. In each case study an interview was conducted with a local planner.

In order to obtain a perspective on the impact of non-farm development under certain policy situations interviews were also conducted with key farm leaders, both from the case study area and from provincial commodity groups. Key farm-leaders from commodity groups were chosen strategically.

Key farm-leaders were chosen using a technique called snowball sampling, which involves selecting one or two people and using their connections, and then their connections to generate a larger sample (Palys, 1997). In this study, subjects were selected if their names were repeated when other interviewees were asked to identify local farm leaders. The local planner and county Ontario Federation of Agriculture staff person were asked by the researcher to identify local farm-leaders at the end of each interview. For the case study of provincial commodity groups, the interviewees were either a senior member of the group (such as the president) or a senior staff person (such as executive director). All interviews were conducted over the phone. Permission of the interviewees was obtained to record the interviews on audiotape.

Case Study Questions

Case study questions were prepared for the various interview participants. The participants were asked various questions depending on whether they are planners, farm-leaders or provincial commodity group representatives. Please refer to Appendices A-C to review the questions used in the case study interviews.

2.5 Conclusion

This chapter has provided some background information on the research project and has described the research methods used in this study. The following chapters present the research findings.

Chapter Three: Creation of Rural Non-Farm Lots During the 1990s

3.1 *Introduction*

To understand the impact of rural non-farm development on the viability of Ontario's agricultural industry, it is critical to examine and document the creation of rural non-farm lots in agricultural land. This chapter examines the direct impact of rural non-farm development on the viability of Ontario's agricultural industry by presenting the results of survey research conducted on the creation of rural non-farm development.

The data collected and presented in this chapter focuses on the rural non-farm lots that were created during the 1990s. Rural non-farm development is created when a municipality grants a severance (also known as a consent) to create a lot that is not directly connected to agriculture, in agricultural land. The data that has been collected for the purpose of this research has been compiled from municipal severance records. Due to the fact that few municipalities have summarized their severance records, the majority of the information collected for this study is taken directly from the severance application. Where it was available, secondary data (data from summaries or data bases that do exist and contained the required information) was used. This data collection took place during the period between June 2001 and May 2002. In order for a severed lot (or rather the new lot that it created) to be included in the study the following criteria must have been met: 1. the severance must create a new lot; 2. the land involved must be designated as agriculture by a local official plan or identified as agriculture by zoning where only a rural designation exists; 3. the severed (or retained parcel) must be either changing the use of the agricultural land (i.e. including residential, commercial, industrial, institutional) or be classified as a farm split (i.e. dividing a large agricultural parcel into two smaller parcels).

This chapter presents this data in a variety of ways. This chapter begins by providing a provincial overview of the creation of rural non-farm development. This discussion presents aggregated county and regional data by geographic region. Map 3.1 and Table 3.1 illustrate how the Counties and Regions in Ontario are classified into geographic regions.

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Map 3.1 Geographic Classification of Counties and Regions in Ontario

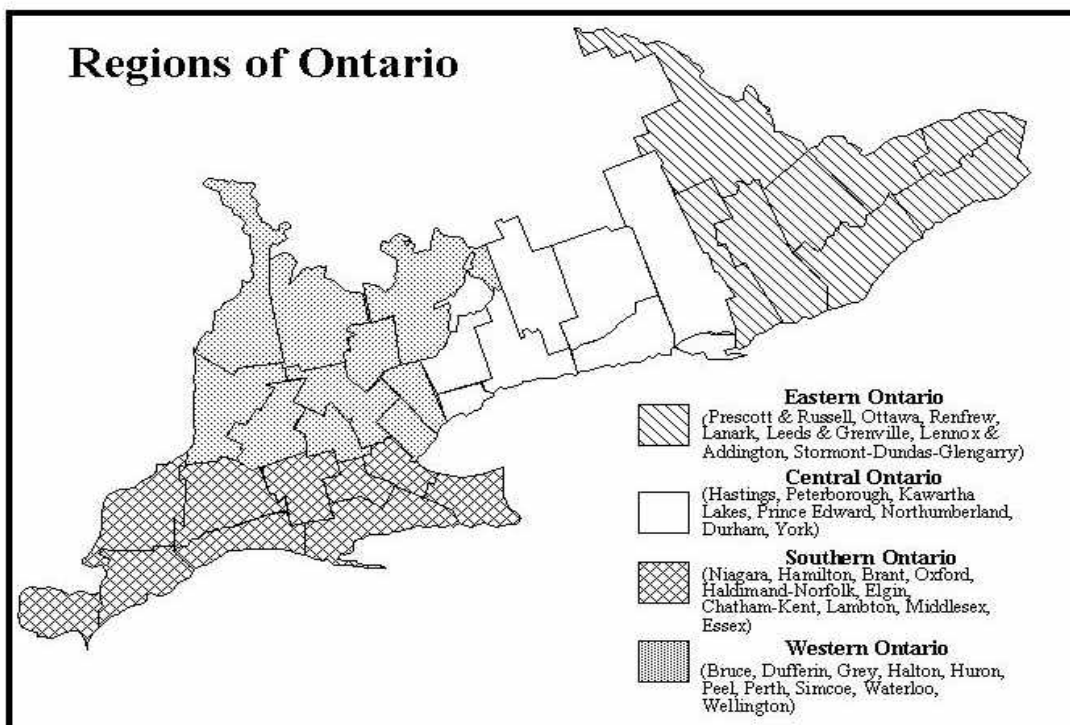


Table 3.1 List of Counties/Regions by Geographic Area of the Province

<p>Central Ontario</p> <ul style="list-style-type: none"> Durham Region Hastings County City of Kawartha Lakes Northumberland County Peterborough County Prince Edward County York Region 	<p>Eastern Ontario</p> <ul style="list-style-type: none"> Lanark County Leeds and Grenville Lennox and Addington City of Ottawa Prescott and Russell Renfrew County Stormont, Dundas and Glengary
<p>Southern Ontario</p> <ul style="list-style-type: none"> Brant County Chatham-Kent Elgin County Essex County Haldimand-Norfolk City of Hamilton Lambton County Middlesex County Niagara Region Oxford County 	<p>Western Ontario</p> <ul style="list-style-type: none"> Bruce County Dufferin County Grey County Halton Region Huron County Region of Peel Perth County Simcoe County Waterloo Region Wellington County

Assessment of the Impact of Rural Non-Farm Development on the Viability of Ontario's Agricultural Industry

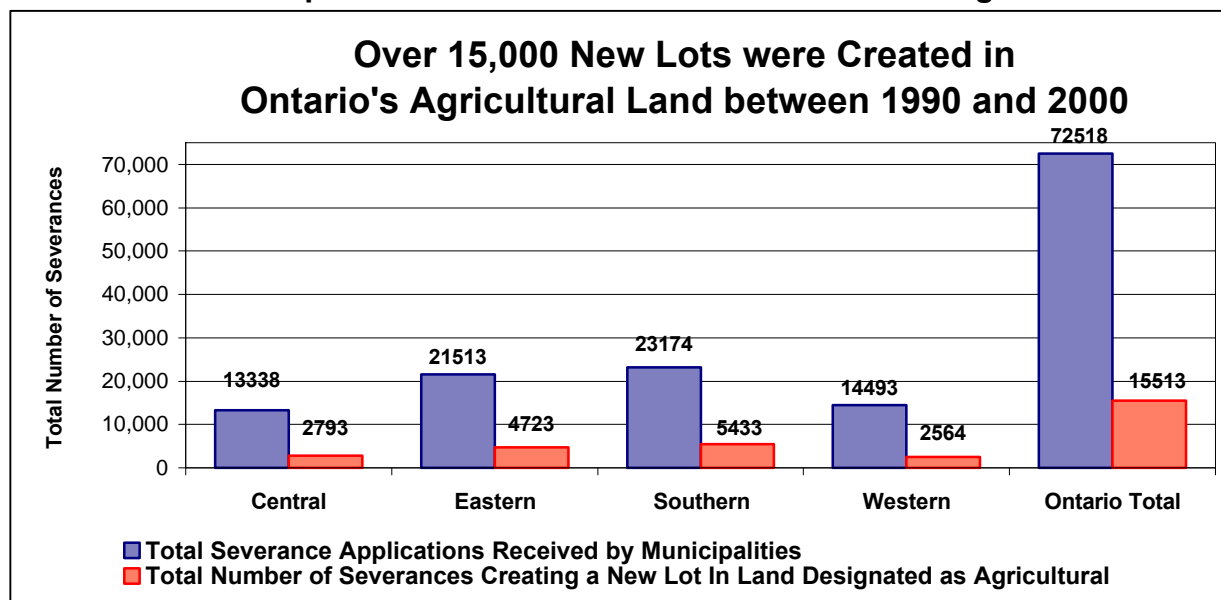
Data is also presented using a measure called “total number of residential lots created per 1000 acres of agricultural land”. This measure was first used by Caldwell (1995) and it is a useful measure to provide an indication of how many residential lots have been created in an average concession block during the 1990s. This chapter concludes by presenting key observations about the physical implications of non-farm development in Ontario.

3.2 A Provincial Perspective on Severance Activity within Ontario's Agricultural Land During the 1990s

Based on the data collected through this research, there were over 70,000 severance applications accepted across Central, Eastern, Southern and Western Ontario (34 Counties and Regions) between 1990 and 2000. Of those 72,518 severance applications made in the 1990s, 15,513 applications (or 22% of the total applications) resulted in the creation of a new lot in Ontario's agricultural land.

The highest numbers of severance applications were made in Southern Ontario. Southern Ontario also had the highest number (5433) of new lots created in agricultural land during the 1990s. Western Ontario had the lowest number (2564) of new lots granted in agricultural land between 1990 and 2000. With the exception of Western Ontario, there appeared to be a relationship between the number of new lots created in agricultural land and the number of applications received by a municipality. In a region with a higher number of severance applications, such as Southern Ontario, there tended to be more lots granted in agricultural land. In Eastern and Central Ontario, where there were comparatively fewer applications made than in Southern Ontario, there were fewer severances granted for the creation of a new lot in agricultural land. Figure 3.1 demonstrates the number of new lots created in agricultural land compared to the total number of severance applications received by each region of Ontario.

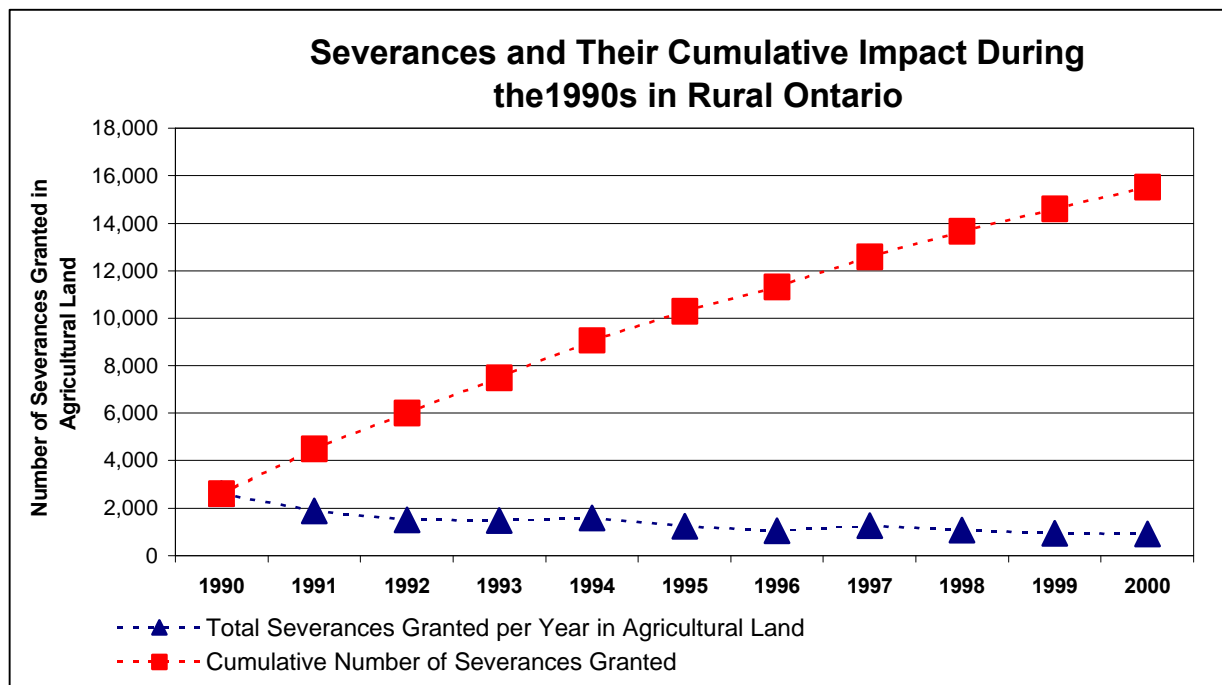
Figure 3.1 A Comparison of Total Applications Received by Municipalities and Total Severances Granted during the 1990s



3.2.1 Rural Non-Farm Development Created Per Year During the 1990s

Over the decade there was some variation in the number of new lots granted in agricultural land during each year in the province. Figure 3.2 identifies the total number of severances granted per year in agricultural land. There was an overall decline in the number of severances granted between 1990 and 2000. The highest number of lots created in any year occurred in 1990, where 2611 new lots were created in agricultural land. The fewest number of new lots were created in 2000, with 905 lots created that year.

Figure 3.2 Annual Totals of Severances Granted and Their Cumulative Impact During the 1990s in Rural Ontario



Of the 15,513 new lots created in agricultural land, 66% of them were created by 1995. The remaining 34% of the lots were created in the 5 years between 1996 and 2000. There was a considerable reduction in the number of new lots created during the later half of the 1990s compared to the first half of the decade. While an overall decrease has been observed in the number of new lots that have been created over the 1990s, it is critical to keep in perspective that each new non-farm lot created adds to the cumulative effect of fragmenting the agricultural land base. The cumulative number of new lots, which have occurred in the province during 1990s, is demonstrated in Figure 3.2.

While detailed data about the lots created during previous decades is not presented, it is important to recognize that the lots created during the 1990s have been created in a

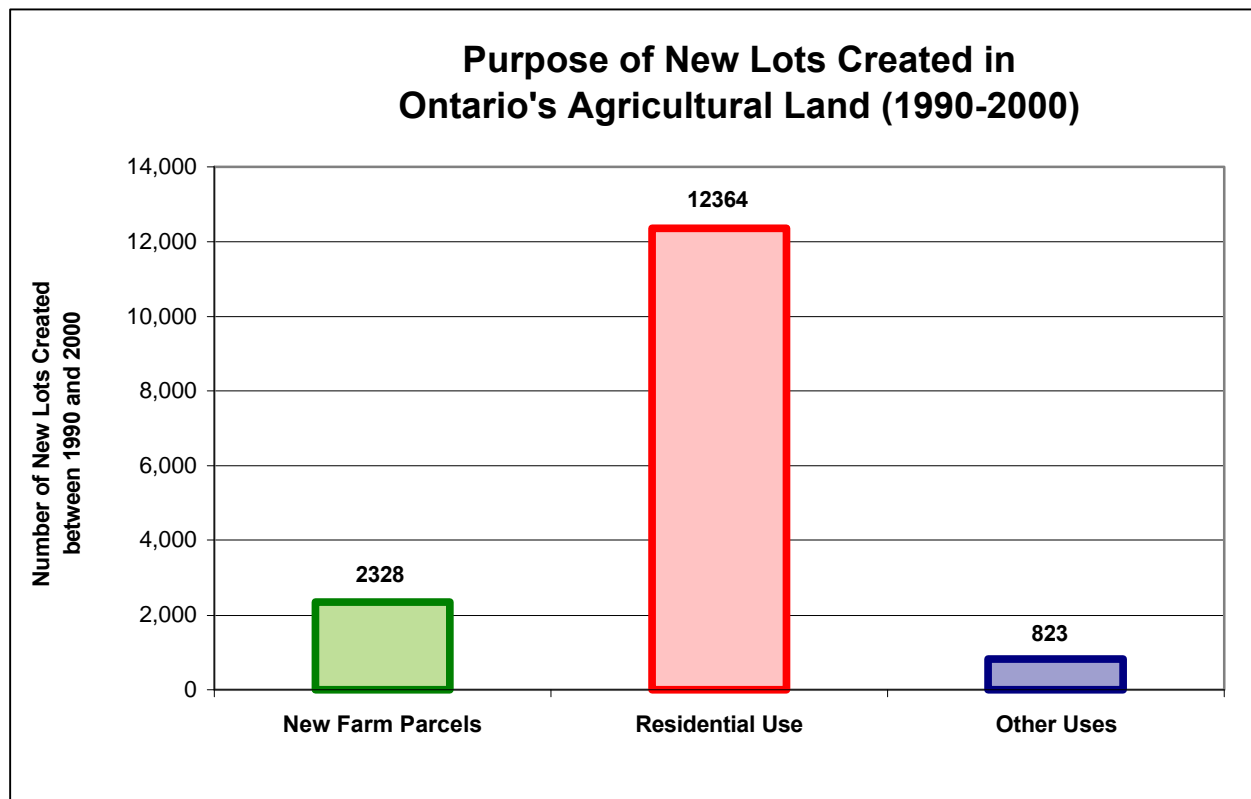
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landscape where a significant number of rural non-farm lots already exist. Between 1979 and 1992, Ontario's Ministry of Agriculture and Food (OMAF) commented on severance applications that created a rural non-farm lot in agricultural land. During the period 1979 to 1989, OMAF commented on 75,113 severance applications (OMAF, 1992). While OMAF did not keep statistics on the number of severances that received final approval, OMAF staff (1992) indicated that they believe a large percentage of the applications they commented on received final approval. The cumulative impact of the number of lots that have been created over the past several decades suggests there is a significant impact to the viability of the agricultural industry in Ontario due to the loss of prime agricultural land and the introduction of minimum distance separation restrictions.

3.2.2 Rural Non-Farm Development by Type

In order to understand the implication of the creation of 15,513 new lots in Ontario's agricultural land during the 1990s, it is important to understand the type of new lots created. Figure 3.3 illustrates use of the new lots. 80% (or 12,364) of the new lots created in Ontario's agricultural land during the 1990s were for residential use. Of those residential lots, 56% were created as rural non-farm lots, and the remaining 44% were residential lots created as farm-related residential uses, such as a retirement lot or a surplus dwelling lot.

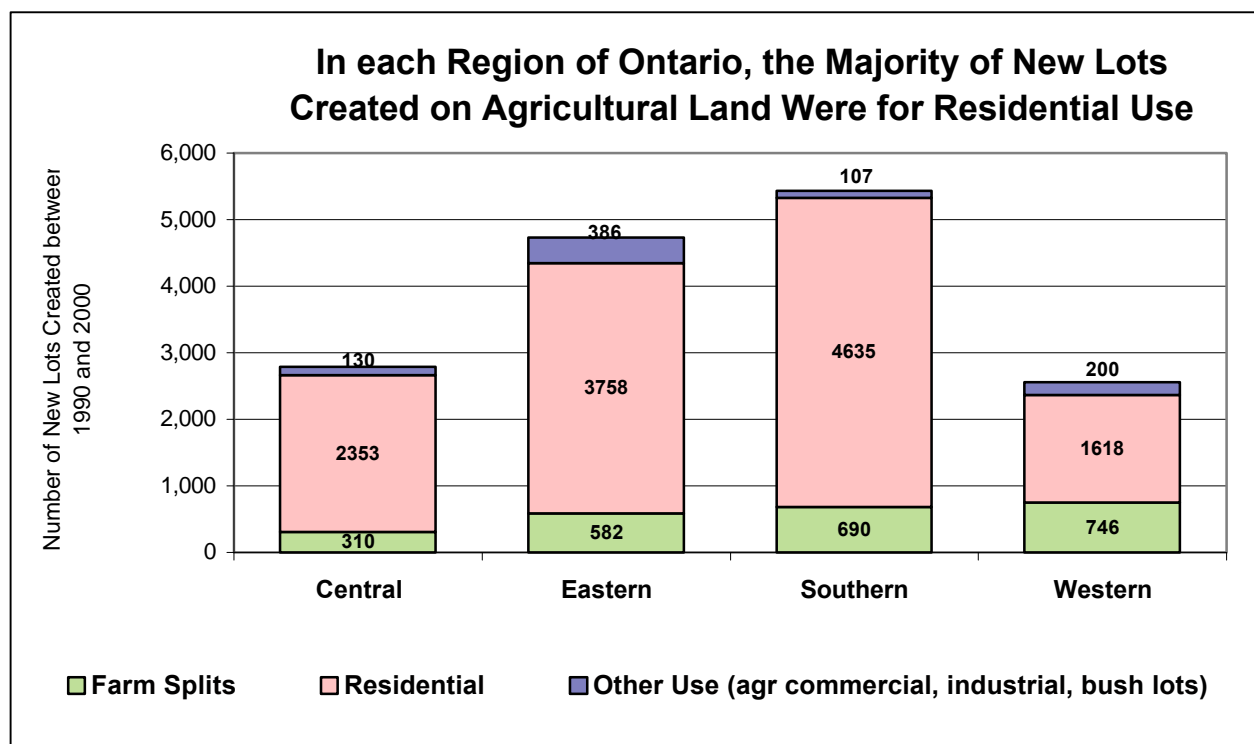
Figure 3.3 Purpose of New Lots Created in Ontario's Agricultural Land



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Figure 3.4 identifies the types of new lots created in each region of Ontario. Data is presented on the number of lots that were considered a farm split, a residential severance and severances for other uses (typically commercial, industrial, recreation uses). Severances that create a residential lot or another use in an agricultural area are typically considered rural non-farm development.

Figure 3.4 Purpose of New Lots Created between 1990 and 2000 by Ontario Region



In each region of Ontario (with the exclusion of northern Ontario) the majority of lots created in the 1990s were for a residential use. The most residential lots were created in Southern Ontario. The fact that the most residential lots were created in this region may correspond with the relatively rapid urbanization of Southern Ontario.

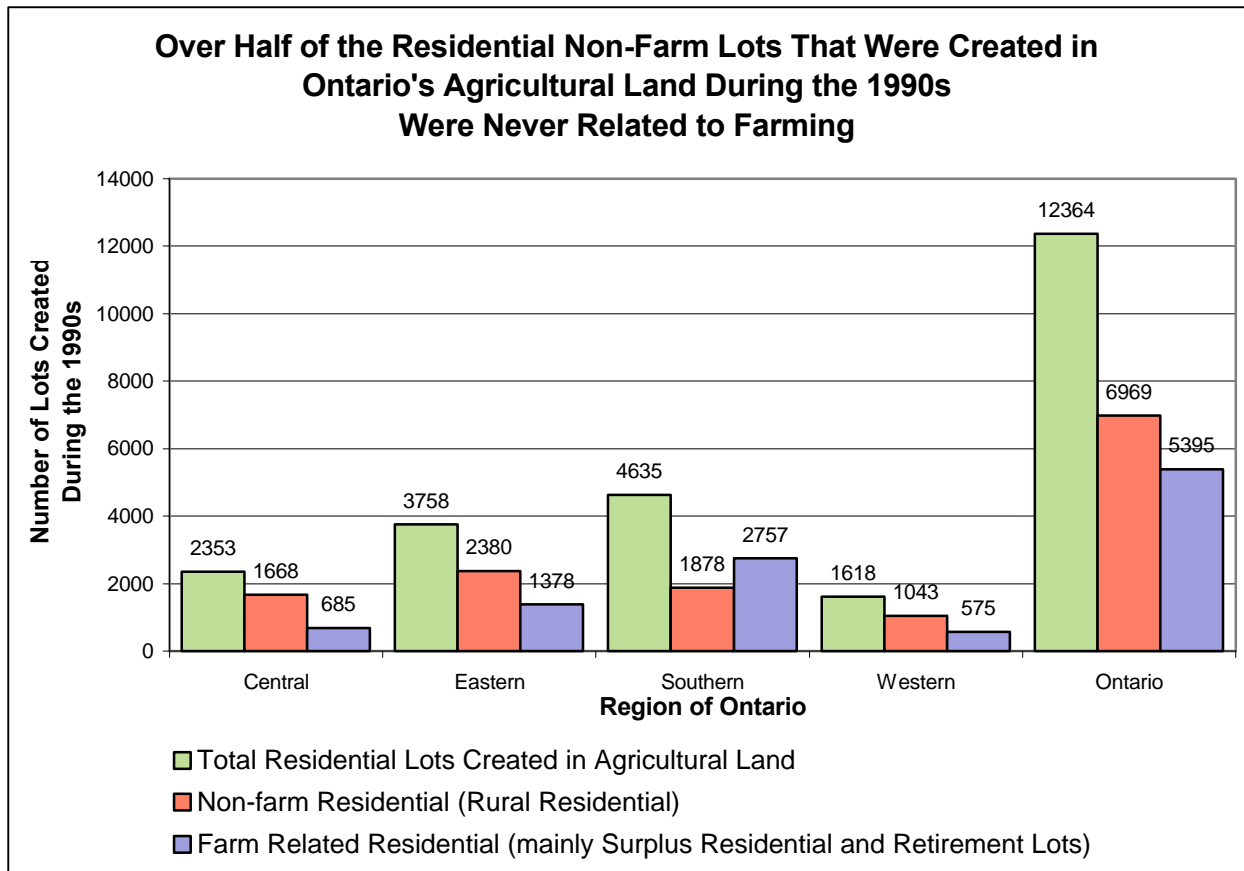
3.2.3 Residential Rural Non-Farm Development

Severances that create residential lots in agricultural land are generally classified as either being non-farm residential lots or farm-related. Residential lots are classified as farm-related because of their connection to agriculture when they are first created. Examples of farm-related lots, as described under current or previous provincial policy,

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include: new farm parcels; retirement lots; surplus dwelling lots; and farm help lots and commercial and industrial operations related to agriculture. Literature has documented that residential uses related to farming may have a connection to agriculture when they are severed, but very few remain connected to agriculture in the long-term (Donkersgoed, 2001). While this research considers both farm and non-farm lots as rural non-farm development, Figure 3.5 breaks down residential rural non-farm development into these categories.

Figure 3.5 Residential Lots Related to Agriculture Created between 1990 and 2000 by Ontario Region



3.2.4 Planning Policy

A variety of policies have been in place across the province during the 1990s. Despite the presence of provincial policy during the 1990s, the above discussion has demonstrated that the extent of new lots created in each region has varied considerably during the 1990s. Most Counties and Regions adopted a new official plan during the latter half of the 1990s. In general, the new official plans limit the creation of new lots in agricultural areas to those permitted by provincial policy. There are numerous Counties/Regions (mainly in Western Ontario) with significant amounts of agricultural land that have implemented severance policies which go beyond the provincial policy in

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terms of limiting the types of lots that will be permitted in agricultural areas. Some of these jurisdictions have adopted policies that are as stringent as anything in place elsewhere in North America¹.

3.3 Total Residential Lots Created per 1000 Acres of Agricultural Land

The literature established that of all the types of rural non-farm development, residential uses have the most impact on the agricultural industry. This section provides documentation regarding the direct physical impact of residential rural non-farm lots created during the 1990s in Ontario. This assessment will employ the measure “total number of residential lots created per 1000 acres of agricultural land”. Caldwell (1995) first used this measure in his study examining the severance applications made in Southern Ontario between 1983 and 1992.

This measure is a useful way to compare the number of residential lots created between Counties and Regions with different acreages of agricultural land. This measure eliminates agricultural severances for the creation of new lots such as farm splits (dividing a 200 acre parcel) or agricultural commercial development (eg. grain drying facilities). The measure “total number of residential lots created per 1000 acres of agricultural land” is calculated using the following formula:

$$\frac{\text{Total Number of Residential Lots Created in Lands Designated as Agricultural} * 1000}{\text{Total Agricultural Land Reported in the 1996 Agricultural Census}}$$

Despite the fact that the 2001 agricultural census has been released, the measure below has been calculated using the total acreage of land reported in 1996. The 1996 acreage was used in this calculation because it provides the total acreage that was in agricultural production during the mid-point of the 1990s.

This measure provides an indication of how many residential lots have been created in an average concession block during the 1990s. The number of lots created per 1000 acres gives an indication of the on-the-ground impact from residential severances created in each county or region. A county or region where four residential lots have been created in each concession block during the 1990s introduces more restrictions and thus has a greater impact on agriculture than a county or region where one lot was created per 1000 acres.

The following table (Table 3.2) demonstrates the number of new lots that have been created during the 1990s per 1000 acres of Ontario's agricultural land. Map 3.2 illustrates the spatial distribution of the data presented in Table 3.2.

¹ This observation is based on the researcher's experience studying land use planning in both the United States and Canada between September 2000 and April 2003.

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Table 3.2 Total Number of Residential Lots Created per 1000 acres of Agricultural Land During the 1990s

	Number of New Residential Lots in Ag Land (90-00)	Acreage 1996	New Residential Lots /1000 acres
Durham *(91-00)	**152	336,857	***0.45
Hastings	372	226,566	1.64
Kawartha Lakes	469	378,692	1.24
Northumberland	432	274,809	1.57
Peterborough	335	242,862	1.38
Prince Edward	525	148,286	3.54
York	84	135,568	0.56
Central Ontario	2369	1,608,072	1.47
Lanark	575	256,485	2.24
Leeds and Grenville	810	342,440	2.37
Lennox and Addington*(90-97)	**248	209,434	***1.18
Ottawa	587	206,285	2.85
Prescott & Russell	575	288,900	1.99
Renfrew	157	412,558	0.38
Stormont, Dundas, Glengarry	874	477,522	1.83
Eastern Ontario	3758	2,193,624	1.83
Chatham-Kent	575	584,765	0.98
Elgin	223	400,584	0.56
Essex	1284	351,414	3.65
Haldimand-Norfolk	816	530,464	1.54
Hamilton	395	147,980	2.67
Lambton	322	596,270	0.54
Middlesex*(96-00)	**183	641,403	***0.28
Niagara	833	229,832	3.62
Oxford	104	440,913	0.24
Southern Ontario	4635	3,923,625	1.59
Bruce	196	627,799	0.31
Dufferin	327	222,183	1.47
Grey* (97-00)	**22	600,416	****0.04
Halton	51	109,187	0.47
Huron	148	733,924	0.20
Peel	185	89,569	2.07
Perth	37	510,327	0.07
Simcoe*(97-00)	**514	550,393	***0.93
Waterloo	53	234,406	0.23
Wellington	426	484,516	0.88
Western Ontario	1618	4,162,720	0.67
Ontario Study Area	12,364	11,888,041	1.04

*For counties/regions where the data is incomplete for the decade, an estimate has been calculated, to allow comparisons to be made. This estimate was calculated by taking the total number of new lots per 1000 acres and dividing it by the number of years of data collected. This value was then multiplied by 11 years in the decade to give the number of new lots created in the municipality for the decade. **Estimated new lots created in the decade. ***Estimated value per 1000 acres. ****The estimated value for Grey County (0.04) indicates that it had the lowest number of residential lots per 1000 during the 1990s. The value for Grey should be higher for the decade. OMAF recorded that Grey County had a high number of applications for the creation non-farm lots during the early 1990s. These numbers did not identify the number of non-farm lots that were actually created. These numbers have not been included because they were gathered using a different methodology used in this study.

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3.3.1 Key Observations based on the Total Lots Created Per 1000 Acres

Regional Observations

On average, there were 1.04 residential lots created per 1000 acres of agricultural land across the province during the 1990s.

The highest number of residential lots created per 1000 acres was in Eastern Ontario. The average of the number of residential non-farm lots created in each county/city/region within Eastern Ontario was 1.83 lots per 1000 acres. On average most counties in the region had around two residential non-farm lots created per 1000 acres. This means that during the 1990s, an additional two rural non-farm lots were created in each concession block.

The lowest number of residential lots created per 1000 acres was in Western Ontario. There were 0.67 lots created in this region during the 1990s.

Central Ontario and Southern Ontario had a similar number of residential lots created per 1000 acres during the 1990s. There were 1.47 residential non-farm lots created in Central Ontario per 1000 acres. During the same period Southern Ontario had 1.59 residential non-farm lots created per 1000 acres of agricultural land.

Southern Ontario saw the most variation between Counties/Regions in the numbers of non-farm residential lots created over the 1990s. Within Southern Ontario, there were Counties and Regions that had very high numbers of residential lots created, including Niagara Region and Essex County with almost four residential lots created per 1000 acres of agricultural land. There were also counties such as Oxford County and Middlesex County where there was less than 1/3 of a lot created in each concession block.

Individual County and Region Observations:

Perth County had the lowest number² of residential lots created per 1000 acres of the Counties and Regions in the study. There were 0.07 residential lots created per 1000 acres of agricultural land in Perth County. This means that over the decade there were virtually no residential lots created in Perth County. The limited amount of severance activity in Perth County during the 1990s means that there are minimal impediments for

² The estimated value for Grey County (0.04) indicates that it had the lowest number of residential lots per 1000 during the 1990s. In fact this is not true. While not reported here, Grey County had a much higher numbers of non-farm lots created during the early 1990s. Limited data was made available for the purpose of this study. Data was not collected for the years 1990 to 1996 because these severances were granted under the previous Official Plan. Grey County passed a new official plan in mid-1997. County staff felt that only severances taking place under the new official plan can be fairly evaluated against the rest of the province. The statistic that appears here is extrapolated based on rates of development in the later 1990s. The value for Grey would be higher for the decade.

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agricultural production in the municipality. Huron County (0.20 residential lots per 1000 acres), the Region of Waterloo (0.23 residential lots per 1000 acres) and Oxford County (0.24 lots per 1000 acres) also had very low numbers of rural non-farm lots created in their agricultural land during the 1990s.

Essex County had the highest number of residential lots created per 1000 acres of agricultural land during the 1990s. During the 1990s there were 3.65 lots created per 1000 acres of agricultural land in Essex County. Niagara Region had the second highest number of residential lots created in agricultural land, with 3.62 lots created per 1000 acres. A very similar number as created in Essex County. Both these areas have a variety of specialized agricultural production, including greenhouse production, grape growing and tender fruit growing industries. Through the application of minimum distance separation, with almost four residential lots created in each concession block there are significant restrictions placed on agriculture.

3.4 Assessment of the Physical Impact of Rural Non-Farm Created During the 1990s on Ontario's Agricultural Industry

3.4.1 Trends in Severance Activity

There were over 70,000 severance applications made in the Ontario study area (34 counties) between 1990 and 2000. Of those severance applications, 15,513 new lots were established in land designated as agricultural. Almost 80% of the new lots (12,364 lots) created during the 1990s introduced a strictly residential use into the province's agricultural resource. While almost all municipalities experienced a decline in the number of new lots created in agricultural land over the decade in Ontario, these lots are in addition to the lots created in previous decades. All Counties and Regions within the province had more rural non-farm development by the end of the 1990s, compared to the beginning.

Based on the findings of this research, Ontario's agricultural industry has felt two direct impacts as a result of rural non-farm development. The first impact is the loss of prime agricultural land. The majority of rural non-farm development in the province during the 1990s created rural residential lots. Rural residential lots are typically about an acre in size (Misek-Evans, 1992a). Based on this assumption, the province of Ontario lost approximately twelve and a half thousand acres of prime agricultural land as a result of scattered residential development over the past decade.

The second direct impact felt by the agricultural industry in Ontario is the minimum separation distance restriction imposed by the introduction of residential uses in the countryside. When a new lot is created in Ontario, it imposes a minimum distance separation (MDS) on surrounding agricultural operations. Figure 3.6 illustrates the MDS restrictions that exist around residential development.

Figure 3.6 Sample Areas of MDS Restrictions Around A Rural Non Farm Residential Lot

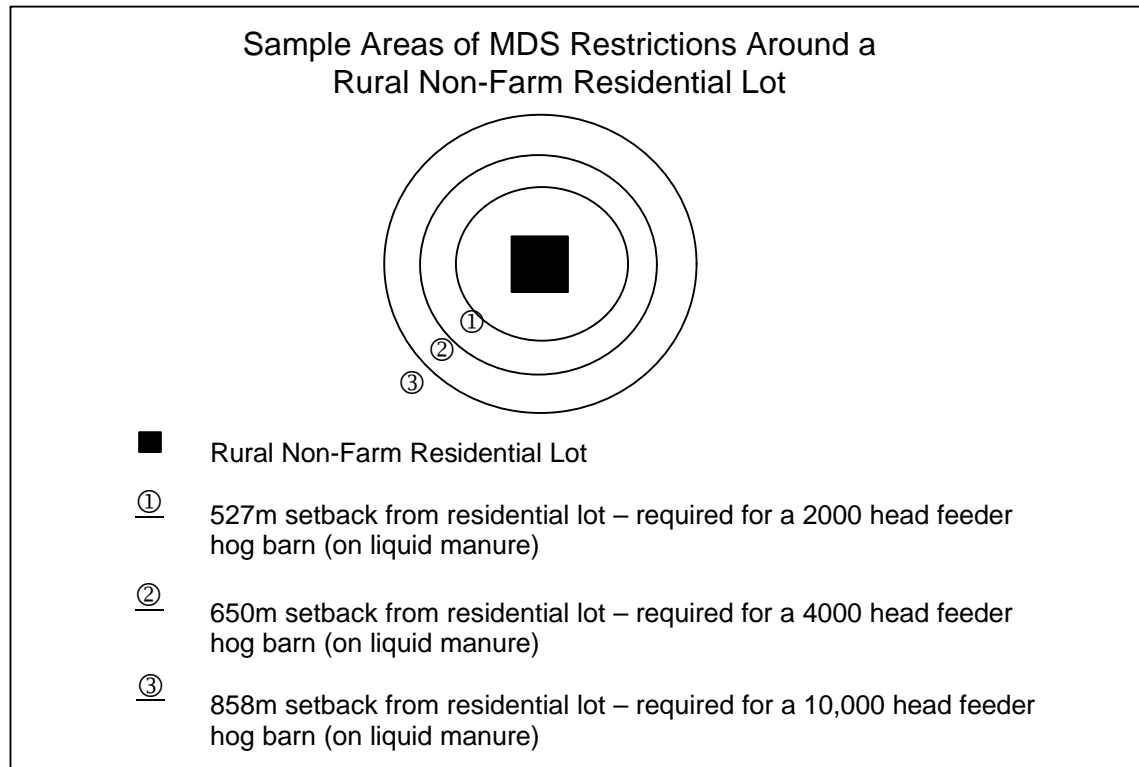


Figure 3.6 illustrates that the larger the livestock operation that is proposed, the farther it must be situated away from a rural non-farm residence. The more residential lots that are created in the countryside, the more agricultural land comes under restriction as a result of the MDS distances that are imposed.

Table 3.3 identifies the area³ of agricultural land that has come under some restriction as a result of the introduction of the rural non-farm residential severances created during the 1990s.

³ The area identified makes the assumption that the lots are randomly distributed across the province. In fact the area of influence surrounding a residential lot may overlap with an area of influence from a neighbouring residential lot. The area was calculated using the minimum distance separation for feeder hogs on liquid manure. This calculation was used because it is the most restrictive formula.

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Table 3.3 Agricultural Land Restricted by Minimum Distance Separation as a Result of the Rural Non-Farm Residential Lots Created During the 1990s

Size Of Livestock Operation*	Required MDS Separation From Rural Non-Farm Residence	Total Residential Rural Non-Farm Residences Created In Ontario Between 1990 And 2000	Area Restricted by Each Rural Non-Farm Residential Severance	Total Area Restricted by Rural Non-Farm Residential Severances
500 Livestock Units (2000 feeder hogs)	527m	12, 364 lots	215 acres	2,658,260 acres
1000 Livestock Units (4000 feeder hogs)	650m	12, 364 lots	327 acres	4,051,065 acres
2500 Livestock Units(10,000 feeder hogs)	858m	12, 364 lots	570 acres	7,212,714 acres

*This example is for feeder hogs on liquid manure only – other types of livestock operations would have different setbacks (e.g. dairy).

Table 3.3 demonstrates both the acreage that each rural non-farm residential severance restricts and the total area of the province restricted by rural non-farm development. For example, a farmer wanting to build a livestock facility to house 2,000 feeder hogs, is potentially restricted by 12,364 lots with restrictions extending over 2,658,260 acres, or almost 20% of the province's agricultural land. Over the past few decades Ontario has seen a significant intensification of the livestock industry. While there are not many operations in the province as large as 10,000 feeder hogs, the above calculation illustrates if a livestock operation of that size was built, a little over half of Ontario's 13,507,357 acres of agricultural land (Agricultural Census, Statistics Canada, 2001) would be restricted by the severance activity during the 1990s.

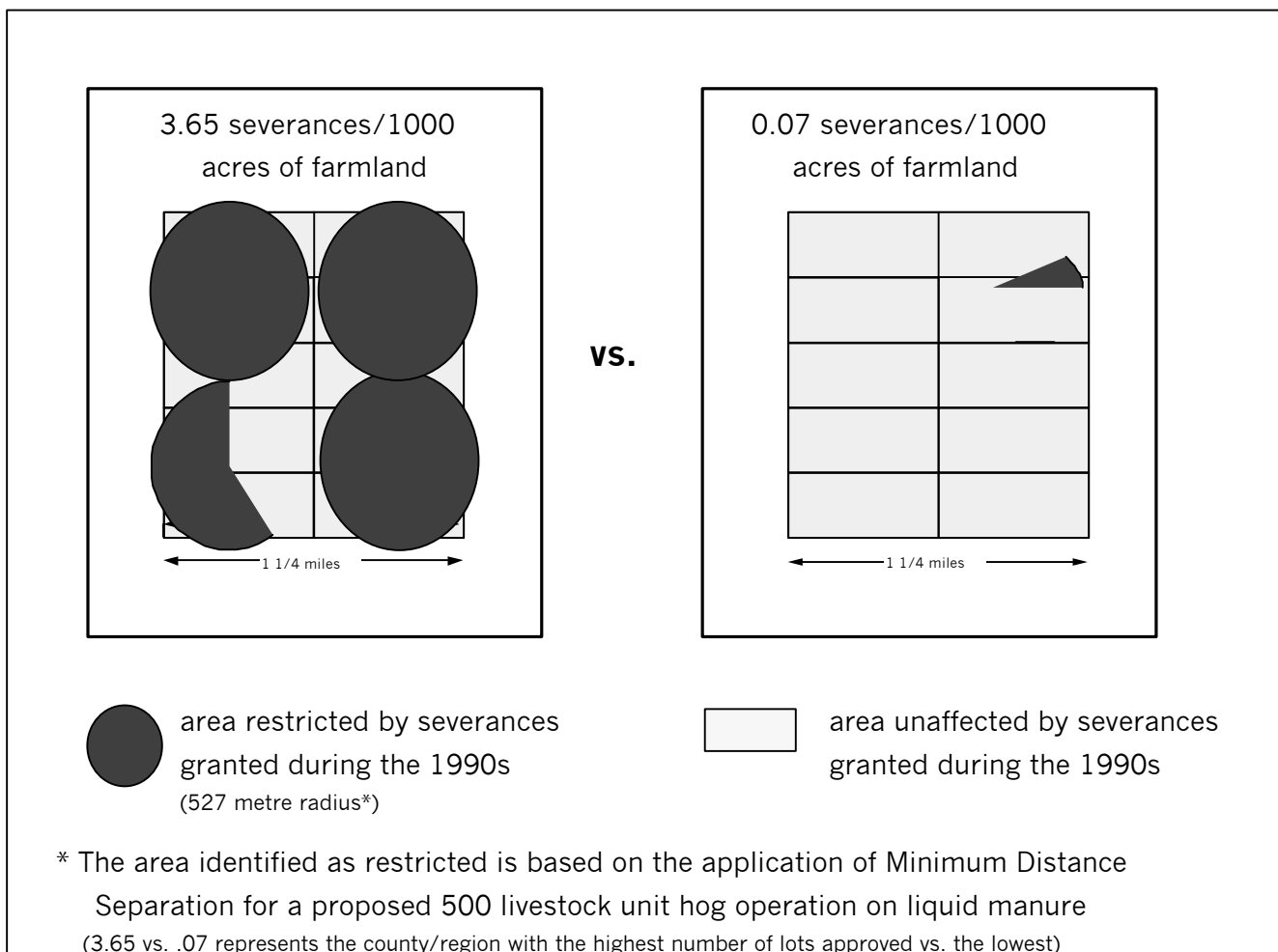
3.4.2 Distribution of Severance Activity

The data that has been presented in this chapter has demonstrated that rural non-farm development is distributed unevenly throughout Ontario's Counties and Regions. 35% of the rural non-farm development that took place in Ontario during the 1990s occurred in Southern Ontario; 30% took place in Eastern Ontario; 18% in Central Ontario; and 17% in Western Ontario. As a result, the impact felt by the agricultural industry is also varied. Comparing geographic regions for example, Western Ontario has the lowest number of lots created per 1000 acres, with 0.67 residential lots created per 1000 acres, whereas Eastern Ontario has the highest number of lots created during the decade with 1.83 lots created per 1000 acres in the Region. It is likely that the agricultural industry in Eastern Ontario experiences a more significant impact from rural non-farm development than in Western Ontario, where there is less non-farm development.

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By looking at specific Counties and Regions, similar comparisons about the impact of rural non-farm development can be made. Perth County had the lowest number of residential lots (farm related severances and non-farm related) created during the 1990s, with 0.07 lots created per 1000 acres of agricultural land. Waterloo Region had the second lowest number of residential lots created with 0.23 lots per 1000 acres of agricultural land. It is likely that the agricultural industry in Perth and Waterloo feels less impact from rural non-farm development than Essex County with 3.65 residential lots created per 1000 acres of agricultural land or Niagara Region with 3.62 lots created per 1000 acres of agricultural land. Figure 3.7 demonstrates the area restricted in a typical concession block by rural non-farm residential lots in the County/Region with the lowest number of residential lots created per 1000 acres compared to the County/Region with the highest number of residential lots created per 1000 acres, during the 1990s. The impact of this is likely to preclude the future establishment or expansion of the livestock industry in certain areas of the province.

Figure 3.7 Agricultural Land Restricted by the Creation of Rural Non-Farm Residential Lots During the 1990s



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3.4.3 Type of Severance Activity

Approximately 80% of the non-farm lots created in rural Ontario severed agricultural land for the purpose of creating a new residential lot in an agricultural designation (e.g. surplus dwelling, retirement lots, farm-help lots, rural residential lots).

Policy tends to distinguish between residential severances that are created because they are considered farm-related (surplus dwellings, retirement lots) and non-farm related (rural residential). Many of the severances that occur within Ontario's agricultural land are justified because they are considered to be "farm-related". In reality, there are few farm related severances that remain truly connected to agriculture. Although these types of severances are often treated differently in official plans they have essentially the same result – a free-standing residential lot in the countryside.

Where a County or Region permits a high number of residential lots in their agricultural land, it is expected that there is a greater impact felt by the local agricultural industry. For example, Niagara Region reported \$408 million in total farm sales in 1996 (Statistics Canada, 1996a). Niagara Region also granted 833 residential severances during the 1990s. In Niagara, 3.62 residential severances were granted per 1000 acres of agricultural land. Niagara Region is one of Ontario's most rare agricultural resources because of the tender fruit, good grape growing land and its unique microclimate. Due to the large amount of rural non-farm development, the ability of the local agricultural industry to purchase land that is free of restrictions must be difficult. The introduction of rural non-farm development in the countryside is accompanied by the introduction of non-farm residents who may or may not be familiar with current agricultural practices. Caldwell and Aston (2001) have documented issues of conflict between the wine industry and related production and non-farm residents.

Much of Ontario's prime agricultural resource is located in Western Ontario. The data indicates that municipalities within Western Ontario tend to have a more active agricultural industry and have fewer residential severances than municipalities where agriculture is less significant. Where agriculture is a significant component of the municipality's economy (as indicated by the value of farm sales), there tends to be a higher proportion of new lots related to an active agricultural industry, such as agricultural commercial/industrial lots, and new farm parcels. For example, Huron County recorded the highest total farm sales of all the counties in Ontario in 2001. Huron County also had more severances to create new farm parcels than to create farm-related residential lots in its agricultural land during the 1990s. Based on this trend, it appears that where municipalities have a provincially significant agricultural industry there tends to be less rural non-farm development permitted. It appears, that certain areas of the province have been better protected from the introduction of rural non-farm development than others.

3.4.4 Current Severance Policy

While there is provincial policy that provides direction to municipalities regarding the types of lots that can be created, there is considerable variation in the number of residential lots created across the province. For instance, the highest number of residential lots created in one county was 3.65 residential lots/1000 acres during the 1990s. Another municipality had as few as 0.07 residential lots per 1000 acres during the same time period. In some respects this variation in the number of residential lots created is a function of demand, but it is also a function of how restrictive the policies of the municipality are beyond the standards set in the provincial policy statement.

Generally the severance policies governing the creation of rural non-farm lots have become more restrictive over the decade, with a number of municipalities adopting policies that are much more limited than provincial policy. With the exception of Niagara Region and Essex County, where a municipality has a provincially significant agricultural industry, there is a trend towards creating severance policies that limit the creation of rural non-farm lots. Perth County and Waterloo Region are examples of municipalities that have adopted policy during the 1990s that severely limits severances for residential use on agricultural lands. A strong policy to limit rural non-farm development in agricultural land lessens the presence of rural non-farm development and thereby minimizes the impact of rural non-farm development in these municipalities.

3.5 Conclusion

While there is an overall provincial trend toward the creation of fewer rural non-farm lots in agricultural land, the creation of each additional lot adds to the cumulative effect of fragmenting the agricultural land base and thereby continues to impede agricultural production. The continued viability of agriculture in rural Ontario is at least partially dependent upon the ability of the farm operator to identify the changing trends in agriculture and respond accordingly. The ability of the farmer to respond, however, is increasingly affected by the cumulative presence of non-farm development.

The number of rural non-farm lots created within a municipality is a determinant of the impact felt by the agricultural industry. Where there is more rural non-farm development there is more impact felt by the agricultural industry in terms of loss of prime agricultural land and through the minimum separation distance restriction that accompanies rural non-farm development. Regardless of the reason why these lots were created, rural non-farm lots continue to remove land from production; continue to introduce restrictions on the operation and expansion of farms; and have the potential to create conflict. The long-term welfare of many rural communities is dependent upon the preservation of the agricultural land resource and maintaining agriculture's ability to change production methods.

Chapter Four: Geographic Case Studies

4.1 Introduction

This chapter presents the results of four case studies that were designed to gather information about the impact of rural non-farm development on the viability of the agricultural industry in Ontario.

The four case studies presented in this chapter are considered 'geographic' case studies. The fifth case study, a cross-sectional case study of Ontario's agricultural commodity groups, is presented in Chapter Five. Based on the information collected in Phase I of the research, four 'geographic' case studies were selected for reasons identified in Table 4.1.

Table 4.1 Geographic Case Studies

Case Study	Reason Selected
Niagara Region	<ul style="list-style-type: none"> ▪ Second highest number of rural non-farm lots created during the 1990s ▪ Unique agricultural resource (tender fruit and grape growing lands) ▪ Significant pressure from development
Grey County	<ul style="list-style-type: none"> ▪ Significant change in severance activity during the 1990s ▪ Changed from granting high number of severances granted per year in early 1990s to low numbers in the late 1990s
Perth County	<ul style="list-style-type: none"> ▪ Very low number of severances created during the 1990s ▪ Very active agricultural industry
Waterloo Region	<ul style="list-style-type: none"> ▪ Very low number of severances created during the 1990s ▪ Large urban centre with a high growth rate

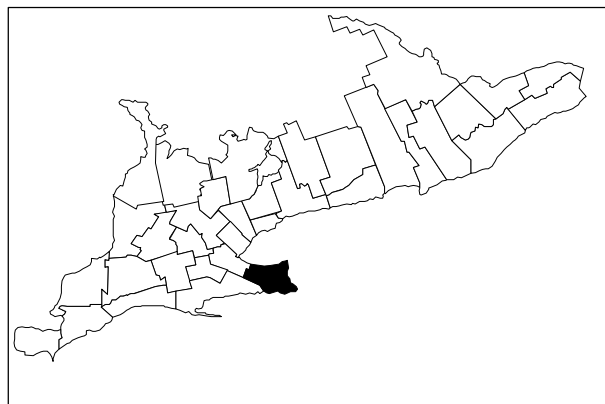
In each case study two Farm Leaders (using the methodology discussed in Chapter Two), a staff member of a local farm organization and a local Planner, were interviewed. For the purpose of confidentiality, the interviewees are not named. Rather, the Farm Leaders and the farm organization staff person are identified as Farm Leaders 1, 2, 3 and so on. The local Planner is referred to as "Planner". These interviews were conducted between September 2002 and March 2003. A copy of the questions that were asked during these interviews is included in Appendices A and B. Appendix C is a copy of the questions that were asked during interviews with provincial commodity groups. Appendix D provides a list of interviewees for the purpose of this study.

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4.2 Case Study: Niagara Region

4.2.1 Introduction

Niagara Region was selected as a case study because of its unique agricultural resource and the high growth rate within the Region. Map 4.1 illustrates the location of Niagara Region within Southern Ontario.



Map 4.1: Location of Niagara Region in Southern Ontario

The soil type in the area, combined with the moderating effect of Lake Ontario, makes Niagara Region the most suitable area in Ontario to produce tender fruit and grapes. In 2001, the Region had farm sales totalling \$511,395,000 and reported 232,817 acres of arable land. Of the four geographic case studies conducted, the Region of Niagara had the highest farm sales per acre (\$2196).

Much of the grape growing and tender fruit production takes place in the 24,000 acres that sit beside Lake Ontario in the shelter of the Niagara Escarpment. This land is producing some of the best wine and tender fruit in Canada. This land is also one of the most highly populated areas in Canada, in the transportation corridor between the United States and the industrial heartland of Southern Ontario, with 350,000 inhabitants and the cities of Niagara Falls, St. Catherines and Hamilton (Bertin, 2002). This case study investigates the impact of the scattered residential lots on the agricultural industry in the Region.

4.2.2 Trends in Rural Development

Table 4.2 Severance Activity in Niagara Region During the 1990s

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	1990-2000
Total Severance Applications	794	525	478	490	577	432	352	475	444	455	463	5485
New Lots Created in Agricultural Land	134	96	85	95	115	64	44	80	82	67	77	939
% of Total Applications	17%	18%	18%	19%	20%	15%	13%	17%	18%	15%	17%	17%

Assessment of the Impact of Rural Non-Farm Development on the Viability of Ontario's Agricultural Industry

- Between 1990 and 2000 there were 5,485 severance applications made in Niagara Region. Of those applications, 939 created a new lot in agricultural land.
- Decrease in both the number of applications received and the number of lots created each year in agricultural land during the decade.
- During the 1990s, 833 lots were created which introduced a new residential use into the agricultural land of Niagara Region. 414 of the 833 lots were created as retirement lots.
- The next most common reason for creating a residential lot was to create rural residential lots (232 of the 833 lots created during the decade).
- Severing a surplus dwelling from a farm operation accounted for 162 of the 833 residential lots created during the decade.

The uniqueness of the agricultural resource is acknowledged in the Region's Official Plan. Agricultural land in Niagara has been categorized into one of three types, depending on the produce that can be grown there. The three categories of agricultural land recognized in the Niagara Region Official Plan are Good General Agricultural Land; Good Tender Fruit Land; and Good Grape Land.

Of the 939 lots created in the Niagara Region:

- 554 of them were granted on land that is designated as Good General Agricultural land;
- 277 of them were granted on land that is designated as Good Tender Fruit land; and
- 118 were granted on land designated as Good Grape land.

During the 1990s, there were 3.62 residential lots created per 1000 acres of agricultural land. This means that during the 1990s there were just under 4 residential lots created in a typical concession block. This is the second highest number of residential lots created per 1000 acres in the province during the 1990s.

4.2.3 Current Severance Policies in Effect

During the 1990s, the Niagara Region witnessed two distinct trends:

1. Farming is becoming increasingly diversified, "with a proliferation of wineries, greenhouses, and exotic types of agriculture" (Niagara Region Planner).
2. Policies regarding the creation of rural non-farm lots have become more permissive during the 1990s.

Assessment of the Impact of Rural Non-Farm Development on the Viability of Ontario's Agricultural Industry

During the 1990s there were some significant changes made to the Regional Official Plan:

- A policy was added to the Regional Plan to permit the creation of infill lots. The Regional Planner identified that there is major potential for infilling lots to be created within the Region because of all the small lots that already exist.
- The retirement lot policies for the Region underwent significant change. The previous retirement lot policy allowed a farmer who was farming in 1973 to create a retirement lot. "The intent of this policy was, as time went by, there would be fewer and fewer retirement lot severances" (Regional Planner). The Regional Council made the decision to change the policy so that now anyone who has farmed for the last 20 years is entitled to a retirement lot (Regional Planner). Under the new policy, retirement lots will no longer be phased out.
- There was also a change made to the surplus dwelling severances during the 1990s. Originally surplus farm lots were allowed when a farm amalgamation occurred. Previously, the farmer had to have bought the adjacent farm parcel and merged the two farm parcels to create one large agricultural parcel. This policy was changed during the 1990s and had the effect of creating a number of new lots.

The Regional Planner identified:

- There are a lot of retirement lots created within Niagara Region, and the problem is that they do not stay retirement lots.
- These lots are often sold for profit and become rural non-farm lots.
- The Planner estimated that about 70 percent of the retirement lots created in Niagara Region are not used by retired farmers.
- There is significant pressure from rural non-farm population to allow the creation of another lot based on the common attitude that "it won't make much difference if we create one more"

Table 4.3 states the types of severances that are currently permitted in the Region of Niagara Official Plan.

Table 4.3 Severances Permitted in the Region of Niagara Official Plan

Severances Permitted in the Region of Niagara Official Plan						More restrictive than PPS	
Surplus Dwellings	Retirement Dwellings	Infilling	New Farm Parcels	Agricultural commercial/ Industrial	Institutional	No	Yes
Yes	Yes	Yes	Yes	Yes	No	X	

Assessment of the Impact of Rural Non-Farm Development on the Viability of Ontario's Agricultural Industry

Based on the results of this research, Niagara Region is one of a very few municipalities where severance policies were more permissive at the end of the 1990s than at the beginning of the decade. The overall trend in the province has been towards the implementation of more restrictive severance policies that aim to reduce the amount of non-farm development. With the changes that have occurred to the severance policies for the Niagara Region, there is the potential for an increase in rural non-farm development.

4.2.4 Impact of Severance Activity

Due to the diversity of the agricultural industry in Niagara Region, interviews were conducted with a Farm Leader from each the following agricultural industries: the winery industry; tender fruit industry; greenhouse industry; as well as the local Ontario Federation of Agriculture representative. An interview was also conducted with a Regional Planner.

IDENTIFY THE TRENDS IN RURAL NON-FARM DEVELOPMENT IN NIAGARA REGION DURING THE 1990S

When the interviewees were asked to identify trends in non-farm development in Niagara Region during the 1990s, there was a significant variability between the answers given.

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none">▪ Need to have severances in order to buy farms at an affordable price.
FARM LEADER 2	<ul style="list-style-type: none">▪ There has been an increase in the creation of surplus severances in order to let fruit farmers purchase farms.
FARM LEADER 3	<ul style="list-style-type: none">▪ Numbers of non-farm lots were no higher in the 1990s than any pervious decade. There is a large supply of vacant non-farm lots.
FARM LEADER 4	<ul style="list-style-type: none">▪ Trend in severance activity is towards the destruction of the fruit lands. The creation of non-farm lots has to be stopped before it is too late.
PLANNER	<ul style="list-style-type: none">▪ Trend towards creation of lots has become more permissive over the 1990s
ALL	<ul style="list-style-type: none">▪ Farmers are taking advantage of creating retirement lots and surplus dwellings in order to cheapen the price of farms.

Assessment of the Impact of Rural Non-Farm Development on the Viability of Ontario's Agricultural Industry

IDENTIFY KEY ISSUES FACING NIAGARA'S AGRICULTURAL INDUSTRY

The Farm Leaders interviewed identified a number of key issues facing Niagara's agricultural industries.

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ Property values are important. Farmers are under pressure from development. Development pressure increases farmers' net worth and increases tax assessment.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ Farmers are pressured by development.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ Farmers are coming under significant pressure from developers.
FARM LEADER 4	<ul style="list-style-type: none"> ▪ Farmers are coming under significant pressure from developers. ▪ Lots are created as economic severances. ▪ Farmers take advantage of severing lots because of the economics of agriculture.

IDENTIFY THE IMPACT OF RURAL NON-FARM DEVELOPMENT IN NIAGARA REGION

All the Farm Leaders and the Regional Planner identified that there was at least some negative impact of rural non-farm development on the viability of agriculture.

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ Some negative impact.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ Leads to conflict in countryside.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ Some negative impact. Leads to conflict. ▪ Especially significant impact for livestock sector. ▪ Many conflicts end up in front of the courts, Normal Farm Practices Protection Board, or the Ontario Municipal Board.
FARM LEADER 4	<ul style="list-style-type: none"> ▪ Some negative impact. Leads to conflict.
PLANNER	<ul style="list-style-type: none"> ▪ Some negative impact. Leads to conflict. ▪ Especially significant impact for livestock sector. ▪ Many conflicts end up in front of the courts, Normal Farm Practices Protection Board, or the Ontario Municipal Board.
ALL	<ul style="list-style-type: none"> ▪ Most conflict occurs because people are not familiar with current agricultural practices.

Assessment of the Impact of Rural Non-Farm Development on the Viability of Ontario's Agricultural Industry

WHAT ARE THE IMPACTS OF RURAL NON-FARM DEVELOPMENT IN NIAGARA REGION?

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ It is not the people who live in the area who complain about agricultural practices, but rather tourists who visit Niagara Region.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ Complaints about spraying pesticides, irrigation and transportation of machinery on roads.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ Conflicts between farmers and non-farmers.
FARM LEADER 4	<ul style="list-style-type: none"> ▪ Conflicts between farmers and non-farmers over the use of roads.
PLANNER	<ul style="list-style-type: none"> ▪ Conflicts over farmers spreading manure, spraying crops and using bird bangers. ▪ Conflicts between farmers and non-farmers over the use of roads. ▪ Land base has become very fragmented.

HAS NON-FARM DEVELOPMENT INFLUENCED INVESTMENT IN AGRICULTURE IN NIAGARA REGION?

There was a wide range of answers to the question: has non-farm development influenced investment in agriculture in your area?

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ Farmers in the tender fruit industry have been able to make investments in their farms because they are able to sever lots. ▪ Whatever profits farmers make from selling a severed lot are generally re-invested in the operation.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ Virtually no investment in the livestock sector within Niagara Region.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ Virtually no investment in the livestock sector within Niagara Region.
FARM LEADER 4	<ul style="list-style-type: none"> ▪ Don't know.
PLANNER	<ul style="list-style-type: none"> ▪ Farmers close to urban boundaries tend not to make investments in their farms.

IDENTIFY THE LEVEL OF IMPACT EXPERIENCED BY DIFFERENT TYPES OF NON-FARM DEVELOPMENT IN NIAGARA REGION

There was an obvious split in the response to the question regarding the level of impact experienced by different types of non-farm development.

Assessment of the Impact of Rural Non-Farm Development on the Viability of Ontario's Agricultural Industry

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ Regardless of the impact, tender fruit farmers have no choice but to keep severing lots. ▪ Surplus dwelling you are only taking a house off a farm that already exists. Retirement lots you are creating a totally new lot. The argument to create retirement lots is very legitimate. Until the income and return on investment changes, I think it is totally reasonable for a farmer to be able to create a retirement lot. I have farmed all my life and I am certainly not in farming to get one retirement lot at the end of it. Until someone comes up with a better idea – we need to keep severing lots.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ There is a problem with retirement lots because they are often sold to non-farm residents, which can often lead to conflict.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ Both surplus and retirement lots have the same impact on agriculture.
FARM LEADER 4	<ul style="list-style-type: none"> ▪ There has been an abuse of the policies that permit retirement lots. ▪ There are many farmers in Niagara Region who believe it is their right to have a severance (or multiple severances). Many farmers say that they need severances in order to continue to operate their farms. Severing lots and taking the money from its sale is a very short-term approach to keeping their operation viable. By permitting severances in Niagara, it is incremental destruction of the tender fruit lands. It is critical that decisions are being made with a long-term view. ▪ Retirement lots do not remain in the hands of retired farmers for very long.
PLANNER	<ul style="list-style-type: none"> ▪ There has been an abuse of the policies that permit retirement lots. ▪ Over time the lots that were created as farm-related lots become non-farm lots. Retirement lots do not remain in the hands of retired farmers for very long. ▪ The creation of each lot increases the cumulative effect on agriculture.

GIVEN THE LEVEL OF SEVERANCE ACTIVITY IN NIAGARA REGION, HOW OPTOMISTIC ARE YOU ABOUT THE FUTURE OF AGRICULTURE?

Among the people interviewed there is a wide range of concern for the future of agriculture in the Region.

Assessment of the Impact of Rural Non-Farm Development on the Viability of Ontario's Agricultural Industry

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ I don't believe the land base is getting smaller because of severances. There never was a lot of good tender fruit land in Niagara Region to start with.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ Severances are pretty well under control in the Region and that the viability of agriculture is under a greater threat from low commodity prices.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ Limited opportunity for livestock-based agriculture.
FARM LEADER 4	<ul style="list-style-type: none"> ▪ If something is not done soon – it will be too late. ▪ The trend in severance activity in Niagara Region is toward the destruction of the fruit lands. There is a critical mass in the Niagara Region with regard to severances. The Region can either stop granting severances or save agriculture within the Region or it can continue and the unique agriculture in the Region will be lost.
PLANNER	<ul style="list-style-type: none"> ▪ I am not too optimistic for the future of agriculture in Niagara Region – but I am also not totally pessimistic. Farming will survive because of its importance to society – but it will be challenging. There will be agriculture in Niagara in 100 years if we do what is in the Plan – but we need to move towards being more diligent in implementing the policies in the Official Plan.

4.2.5 Recommendations

Each of the people interviewed from Niagara Region were able to make a recommendation to either their own municipality or other municipalities regarding rural non-farm development.

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ The door on severances needs to be left open to the agricultural community until other issues such as income and return on investment are resolved. ▪ There is a need to repair the disconnect that exists between levels of government that controls land division policies and governments that control international trade.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ Need for municipalities to recognize the importance of agriculture to the local economy, and to factor that in when making decisions.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ Land use planning must be done at a Regional level. ▪ Local politics must be removed from planning decisions. ▪ It is critical to make decisions with a long-term view. ▪ Farmers need to be guaranteed sustainability and granting severances reduces the flexibility of operation.
FARM LEADER 4	<ul style="list-style-type: none"> ▪ The Province has to take responsibility to protect the

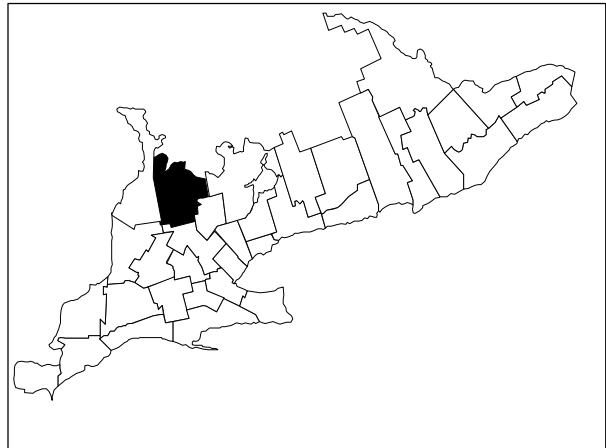
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	<p>unique agricultural resource in Niagara Region.</p> <ul style="list-style-type: none"> ▪ Region should have jurisdiction over all planning matters. ▪ Put a moratorium on development within Niagara Region and developing alternatives such as brownfield re-development and looking to Napa Valley as a model.
PLANNER	<ul style="list-style-type: none"> ▪ My basic recommendation would be to make severance policies more restrictive in Niagara Region. Take away those 'little perks' that allow lots to be created in agricultural areas – like the infilling lots. Be more restrictive on the retirement lots or take them away altogether. Be more restrictive on the types of severances because we only have a small area here. We are getting to the point where we are about to tip the balance where it is not going to be worth keeping agricultural land anymore. ▪ Necessary to have political will in order to achieve change.

4.3 Case Study: Grey County

4.3.1 Introduction

Grey County was selected as a case study because of the dramatic change in severance activity during the 1990s. The trend in severance activity within Grey County changed from granting high numbers of severances each year in the late 1980s and early 1990s, to low numbers in the late 1990s. Map 4.2 illustrates the location of Grey County within Southern Ontario.



**Map 4.2: Location of Grey County
in Southern Ontario**

The total area of farmland comprises 53% of the County's land area (Monteith Zelinka Ltd., 1995).

Much of the agriculture in Grey County is livestock based. Grey County has a specialization in beef cattle. "Beef production in Grey County tends to be a very low intensity kind of farming. Beef farms require extensive land holdings, which are environmentally benign and aesthetically attractive because of little cultivation and machine use" (Monteith Zelinka Ltd., 1995, p.33). The apple industry in the Beaver Valley is also an important type of agriculture in the County. In 2001, the County had farm sales totalling \$240,607,000 and reported 593,121 acres of arable land. Grey County generated \$405 of farm sales per acre in 2001.

4.3.2 Trends in Rural Development

Over the past three decades, a large number of rural non-farm lots have been created in Grey County.

- A high percentage of the lots that have been granted in Grey County were approved during the late 1980s and early 1990s.
- Many agencies raised objections to the severance applications. The County Planning Approvals Committee approved "over 70% of those applications to which the Grey County Planning Department had objected" (Ontario Environmental Assessment Advisory Committee, 1990, p.13).
- Due to the large numbers of severances being granted, the Ministry of Municipal Affairs conducted an inquiry into severance activity in Grey County.

Table 4.4 illustrates the number of applications received by the Ontario Ministry of Agriculture from Grey County between 1979 and 1992.

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Table 4.4 Consent Applications Received by the Ontario Ministry of Agriculture and Food From Grey County for Comment (1980-1992)⁴

Grey County	Number of Applications Per Year	Grey County	Number of Applications Per Year
1979	219	1986	330
1980	200	1987	710
1981	220	1988	1109
1982	193	1989	1874
1983	185	1990	1437
1984	243	1991	447
1985	289	1992	249

Limited data was made available for the purpose of this study. Data was not collected for the years 1990 to 1996. Grey County passed a new Official Plan in mid-1997 and County staff felt that only the severances granted under the new Official Plan could be fairly evaluated against the rest of the province.

Between 1997 and 2000, there were 521 severance applications received by Grey County.

- Of those total severance applications, 99 new lots were created in land designated as agricultural.
- The number of applications received each year in agricultural land fluctuated, while the number of lots created increased over the period.
- There were 81 new farm lots created between 1997 and 2000 as a result of a separation of an existing agricultural parcel.

Table 4.5 Severance Activity in Grey County During the 1990s

	*1990	*1991	*1992	*1993	*1994	*1995	*1996	1997	1998	1999	2000	1990-2000
Total Severance Applications								45	189	159	173	521
New Lots Created in Agricultural Land								14	24	28	33	99
% of Total Applications								44%	37%	33%	20%	34%

*data was not collected for the years 1990 to 1996 and County staff feel that only severances taken place under the new Official Plan can be fairly evaluated against the rest of the province.

⁴ Ontario Ministry of Agriculture and Food 1992 *Consent Applications Received by the Ministry for Comment Between 1979 and 1992*. Unpublished Paper.

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During the 4 years between 1997 and 2000, there were

- 5 rural residential lots;
- 3 surplus dwelling lots;
- 5 retirement lots.

Between 1997 and 2000, there were 0.25 lots⁵ created per 1000 acres of agricultural land. This means there was less than a ¼ lot created in a typical concession block

4.3.3 Current Severance Policies in Effect

Prior to the Official Plan in 1997, there was no comprehensive Official Plan that covered the whole County. One side of the County that was covered by a criteria-based Plan and the other side of the County was covered by a designation-based Plan. Together they were treated as a County Plan but they did not have consistent policies.

In the mid-90s the County committed to developing a new Official Plan in taking a harder line on the preservation and protection of prime agricultural land (Grey County Planner).

- The Official Plan was adopted in 1997.
- The new Official Plan gives strong direction regarding permitted types of development.
- Previous policies did not adequately define agricultural land as separate from rural land.
- “The old Plan dealt with rural and agricultural – not in the sense of priority areas but through soil classification” (Grey County Planner). The old Plan stated, “if you are on Classes 4-7 land you could get a lot and if you were on Class 1-3 you could have a surplus lot, a retirement lot, agricultural commercial/industrial lot” (Grey County Planner).
- The Planner identified that Grey County has such a diverse range of soil types that you could typically find a poor pocket of land on any farm. This policy was weak and began to be abused. The policies began to be interpreted that farmers had a ‘right’ to a severance.
- The new Plan took that ‘right’ away. A criteria-based approach was used to differentiate between agricultural and rural lands. The new Plan allows for the creation of surplus dwelling severances and the establishment of new agricultural lots (100 acre minimum).
- Table 4.6 illustrates the types of lots permitted within Grey County's agricultural designation.

⁵ Because this measure is only based on the number of severances between 1997 and 2000 it would be a higher value for the complete decade. (Projected value is 0.44 new lots per 1000 acres for the entire decade).

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Table 4.6 Severances Permitted by the Grey County Official Plan

Severances Permitted by the Grey County Official Plan						More restrictive than PPS	
Surplus	Retirement Lots	Infilling	New Farm Parcels (size)	Agricultural commercial /industrial	Institutional	No	Yes
Yes	No	No	Yes (100 acre parcel – no previous severances)	Yes – if required in proximity & in direct support of agriculture.	Only for horse-drawn populations		X

4.3.4 Impact of Severance Activity

IDENTIFY THE TRENDS IN RURAL NON-FARM DEVELOPMENT IN GREY COUNTY DURING THE 1990S

The three Farm Leaders and the County Planner interviewed all acknowledged that there had been a significant decline in the number of rural non-farm lots created during the 1990s.

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ Decline in the number of rural non-farm lots created during the 1990s. ▪ Grey County led the pack several years ago in terms of granting farm severances. That has really come to a halt. There are not many severances taking place now.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ Decline in the number of rural non-farm lots created during the 1990s.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ Decline in the number of rural non-farm lots created during the 1990s.
PLANNER	<ul style="list-style-type: none"> ▪ Decline in the number of rural non-farm lots created during the 1990s.

IDENTIFY KEY ISSUES FACING GREY COUNTY'S AGRICULTURAL INDUSTRY

Two key issues that were raised by the Farm Leaders included the income squeeze for small and medium sized operations and the polarization of farm size.

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ Income squeeze for small and medium sized operations.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ Survival of the family farm.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ For years (until severance policy was strengthened in the County in 1997) farmers severed a lot in order to gain income from its sale.

Assessment of the Impact of Rural Non-Farm Development on the Viability of Ontario's Agricultural Industry

IDENTIFY THE IMPACT OF RURAL NON-FARM DEVELOPMENT IN GREY COUNTY

All four of the individuals interviewed stated that the level of non-farm development that has been created in Grey County has an impact on the agricultural community.

The most significant impact identified in each interview was the loss of flexibility for Grey County farmers to expand their livestock operations as a result of the minimum distance separation introduced by residential non-farm lots scattered through the countryside.

The other significant impact identified during the interviews included the potential for conflict between farmers and their non-farm neighbours.

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ Loss of flexibility to expand livestock operations. ▪ Conflicts between farm and non-farm residents as a result of a lack of understanding of agriculture and what is considered a normal farm practice. ▪ As non-farm people become entrenched in the community, they begin to take a bigger role in leadership on municipal council. That can have an extremely negative impact on the agricultural industry in the area [because decisions are being made without understanding what the impacts are for agriculture].
FARM LEADER 2	<ul style="list-style-type: none"> ▪ Limited expansion of livestock farms due to MDS. ▪ Know of conflict between farmers and non-farm neighbours.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ Loss of flexibility to expand livestock operations. ▪ Implementation of the Farm and Food Production Protection Act has been helpful in reducing some of the complaints about noise, odour, and dust.
PLANNER	<ul style="list-style-type: none"> ▪ Non-farm development has put a stranglehold on agriculture. ▪ In 1998 we took a fairly strong stand on nutrient management and the application of MDS. What we have found over time is that non-farm development has put a strangle hold on some of the agricultural areas – from the standpoint of MDS and the ability of agricultural operations being able to expand.

All three Farm Leaders identified the need for farmers to engage in good neighbour relations to avoid conflict. Everyone identified that the livestock industry is most impacted from the presence of rural non-farm development.

Assessment of the Impact of Rural Non-Farm Development on the Viability of Ontario's Agricultural Industry

HAS NON-FARM DEVELOPMENT INFLUENCED INVESTMENT IN AGRICULTURE IN GREY COUNTY?

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ There has not been the same investment in the large livestock industry as in other parts of Ontario.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ Lack of investment in livestock industry. ▪ Part of the reason why the large livestock facilities have not come to Grey County is because of the minimum distance separation restrictions.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ The area is being seen more and more as a recreational area and the hurdles for the farm community to expand or build are discouraging growth in the agricultural industry. Farmers recognize they cannot run a large commercial type operation in a playground. ▪ Any investment in agriculture has been in the development of the agro-tourism industry.
PLANNER	<ul style="list-style-type: none"> ▪ Grey County has not seen the investment in the large livestock industry that has been experienced in Huron County or Perth County.

IDENTIFY THE LEVEL OF IMPACT EXPERIENCED BY DIFFERENT TYPES OF NON-FARM DEVELOPMENT IN GREY COUNTY

Each of the people interviewed in this case study believed that the impact from all types of rural non-farm lots was the same, even though the lots were created for different purposes.

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ Retirement lots have the most negative impact. ▪ Surplus dwelling severances have a similar impact as retirement lots.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ Retirement lots have the most negative impact of all types of severances. ▪ Surplus dwellings severances have the same impact as retirement lots. ▪ The creation of a non-farm lot does not always create conflict, but it certainly has the potential for conflict.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ Abuse of the 'retirement lot' policies in the past. ▪ The retirement lot might have been used for a few years by the farmer and then sold – in essence creating a rural residential lot. ▪ It was the older generation of farmers who were adamant about getting their retirement lot. The people who wanted to continue farming were opposed to retirement lots.
PLANNER	<ul style="list-style-type: none"> ▪ Retirement lots have a detrimental effect on farmers in Grey County.

Assessment of the Impact of Rural Non-Farm Development on the Viability of Ontario's Agricultural Industry

PLANNER continued	<ul style="list-style-type: none"> ▪ Abuse of retirement lot policies in the past. ▪ I do not see a difference in the impact of lots, despite the reason they were created. A farm retirement lot or a surplus farm lot – is by its nature a non-farm lot. The retiring farmer does in all likelihood not use a farm retirement lot for a period longer than 5 years. Reality is that a farmer severs a lot off the farm. He sells the farm, and then sells the lot and that is his retirement income. These lots were never really farm retirement lots. ▪ Once surplus dwellings become severed they fall into the same category of retirement lots.
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4.3.5 Recommendations

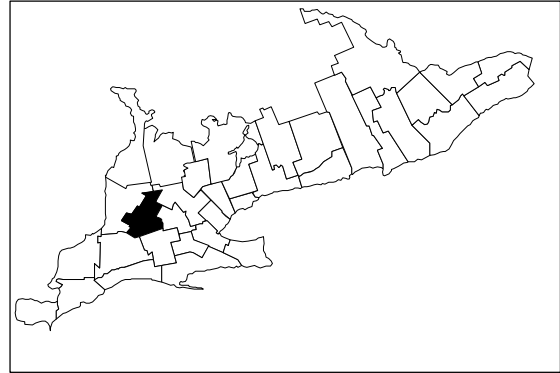
The Farm Leaders and the County Planner interviewed identified a number of recommendations that they would make to other municipalities regarding rural non-farm development.

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ Need to support agriculture in the community.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ Need for attitudes to change. People must begin to understand the importance and the scarcity of the agricultural resource and the need to protect it and the agricultural community.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ Need to protect the agricultural community.
PLANNER	<ul style="list-style-type: none"> ▪ Need to have strong policies to protect agriculture. ▪ Give them [farmers] the policy that they really need. Allowing the creation of rural non-farm lots is not providing them with any protection. We have to allow our farming community to be flexible enough to change with economics. ... Our land mass is being pressured at all ends with urbanization. With global warming going on it is going to become increasingly hard for farmers to compete. What will the state of agriculture be in the long haul in the province of Ontario if we continue to allow it to be paved over? ▪ Need for Provincial Government to develop stronger policy to protect prime agricultural areas from the creation of rural non-farm development.
ALL	<ul style="list-style-type: none"> ▪ Overwhelming need to protect the agricultural community, including protecting the land. ▪ Allowing farmers to sever lots was not giving them the protection they need to survive.

4.4 Case Study: Perth County

4.4.1 Introduction

Perth County was selected as a case study because of its very active agricultural industry and low number of severances created during the 1990s. Map 4.3 illustrates the location of Perth County within Southern Ontario.



**Map 4.3: Location of Perth County
in Southern Ontario**

Perth County is a significant contributor to agricultural production in Canada. For each of the agricultural census years, 1985, 1990, and 1995, Perth County's farm gate sales were higher than the farm gate sales recorded for the provinces of Nova Scotia, Prince Edward Island, New Brunswick and Newfoundland combined (Harry Cummings and Associates, 2001). In 2001, the County reported farm sales totalling \$555,081,000. Perth County has been subject to the trends that are almost universal in agriculture - declining number of farms and increasing sizes for the remaining farms.

Perth County has a combination of farm types, including livestock and cash crop. "Farms in Perth County tend to concentrate on the more traditional agricultural production areas of dairy, field crops and to a lesser extent on beef. Hog farming is also an important farm activity in the County" (Harry Cummings and Associates, 2001, p.25). The County reported 502,926 acres of arable land in 2001. On average, Perth County generated \$1103 farm sales per acre in 2001.

4.4.2 Trends in Rural Development

During the 1990s, there were 659 severance applications received by Perth County. Of those total severance applications:

- 185 new lots were created in land designated as agricultural.
- Of those 185 new lots:
 - 110 new farm lots were created as a result of a farm split.
 - 37 new residential lots were created in lands designated as agricultural. The majority of these residential lots (21) were created because farmers severed a house surplus to their needs from an agricultural operation they acquired. The number of surplus dwelling lots gradually declined per year between 1990 and 1997.
- The new Perth County Official Plan removed the ability to create surplus residential lots after 1997.

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Table 4.7 Severance Activity in Perth County During the 1990s

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	1990-2000
Total Severance Applications	97	71	86	68	62	49	54	51	38	48	35	659
New Lots Created in Agricultural Land	31	16	30	24	25	10	15	8	8	14	4	185
% of Total Applications	32%	23%	35%	35%	40%	20%	28%	16%	21%	29%	11%	26%

During the 1990s, there were 0.07 residential lots created per 1000 acres of agricultural land. This means there was less than 1/10th of a lot created in a typical concession block over the decade.

4.4.3 Current Severance Policies in Effect

Prior to 1997, each municipality within Perth County had its own Official Plan with their own severance policies. Previously, the local Official Plans permitted surplus dwelling severances, but none of the plans permitted the severance of retirement lots. The surplus dwelling severance policies in the previous Plans had become so restrictive, with ten or so conditions that had to be achieved, that it became almost impossible to sever a surplus dwelling.

In 1997, Perth County adopted their first County-wide Official Plan. The new Plan was developed out of a desire to do things a little differently.

- The Perth County Planner identified that “approximately 85-90% of the agricultural policies were the same in the local Official Plans”.
- With the local plans needing to be reviewed every five years, the Planning Department previously found themselves “doing busy work – not smart work” (Perth County Planner).
- Public consultation was undertaken in the development of the Official Plan. The agricultural community was involved through providing input into the development of the Plan.
- In the new County Plan “politicians made the decision that agricultural policies should be restrictive to keep non-farm development (specifically residential development) out of the agricultural area” (Perth County Planner).
- Table 4.8 illustrates the types of agricultural severances that are permitted in Perth County. The severance policies in Perth County are considerably more restrictive than what the Provincial Policy Statement currently allows. The policies that are in place in the County Official Plan reflect, “what agriculture means to Perth County” (Perth County Planner).

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Table 4.8 Severances Permitted in Perth County Official Plan

Severances Permitted in Perth County Official Plan						More restrictive than PPS	
Surplus	Retirement Lot	Infilling	New Farm Parcels (size)	Agricultural commercial/ industrial	Institutional	No	Yes
No	No	No	Yes – 75 acres +	Yes	None – with exception for old order Mennonite community		X

While Perth County has had a long history of not permitting retirement lots, policies within the Perth County Official Plan allow a retiring farmer to have a temporary dwelling, such as a mobile home on a farm (renewable every three years). It also permits an addition to be built onto an existing house. This policy “recognizes and meets the needs of farmers who want to retire on their own farm without creating a new lot in the countryside” (Perth County Planner).

4.4.4 Impact of Severance Activity

Interviews were conducted with a County Planner and three Farm Leaders to identify the viability of agriculture in a County that has a relatively low amount of rural non-farm development.

IDENTIFY THE TRENDS IN RURAL NON-FARM DEVELOPMENT IN PERTH COUNTY DURING THE 1990S

All four individuals interviewed were aware that there had been a decline in the number of rural non-farm lots created during the 1990s.

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ Decline in severance activity. ▪ Relatively few severances because Perth County has lived with restrictive policies for many years.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ Limited amount of severance activity during the 1990s.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ Perth has very restrictive severance policies and there has been relatively few severances because Perth County has lived with these policies for many years.
PLANNER	<ul style="list-style-type: none"> ▪ The number of lots created during the 1970s and 1980s were substantially higher than the amount of non-farm development that was permitted in the 1990s.

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IDENTIFY KEY ISSUES FACING PERTH COUNTY'S AGRICULTURAL INDUSTRY

All four people identified that a key issue for farmers in their area was finding land at a reasonable price to expand their livestock operations.

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ When the economic return is not there, farmers are forced to expand their existing operations and buy additional land.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ My land is worth more than someone else's because I do not have any restrictions on my land from severances. ▪ Presence of severances restricts a farmer's ability to expand their livestock operation.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ Land in Perth County is more valuable than land in other counties because there are relatively few severances to restrict the expansion of operations.
PLANNER	<ul style="list-style-type: none"> ▪ Presence of severances restricts a farmer's ability to expand their livestock operation.

IDENTIFY THE IMPACT OF RURAL NON-FARM DEVELOPMENT IN PERTH COUNTY

While there have not been many complaints about rural non-farm development in Perth County, the general position of all the individuals interviewed was that rural non-farm development had the potential to have a negative impact on agriculture.

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ Rural non-farm development imposes MDS restrictions on agriculture.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ Good to have some rural non-farm residents in the countryside. He identified that as farms get larger and there are fewer farmers, the countryside will become depopulated and this will lead to rural schools being closed. He also said that by having some non-farm residents in an agricultural area it helps educate people about agriculture.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ Rural non-farm development restricts the livestock industry. ▪ Residential lots will have an impact on the livestock industry – even if surplus or retirement lots - those houses do not generally stay in “agriculture-friendly” hands very long. People move out from the city and think that they can receive the same services or are not subject to dust or noise that is common in an agricultural zoned area.
PLANNER	<ul style="list-style-type: none"> ▪ Rural non-farm lots in the countryside reduces the flexibility of farmers to expand their farm operation as a result of the

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PLANNER continued	<p>minimum distance separation (MDS) imposed on them because of the new residential lot.</p> <ul style="list-style-type: none"> ▪ In the context of a retirement severance, a severed residential lot may not have a negative impact on the father who initially severed the lot, but it has the potential to create a negative impact for the son, who may want to expand the farming operation.
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HAS NON-FARM DEVELOPMENT INFLUENCED INVESTMENT IN AGRICULTURE IN PERTH COUNTY?

Farm Leaders were asked whether the amount of non-farm development in the County has positively or negatively impacted agricultural investment in the area. Each Farm Leader said that the large agricultural investment felt in Perth County over the past decade was at least partly attributable to the fact that Perth County has a relatively small amount of rural non-farm development.

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ Farms next to a residential lot sell for less because the flexibility to expand a livestock operation has been restricted.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ If you are looking to buy land – you would look around the neighbourhood and see what houses are where and who owns them and how big of lots they own, because of how that might affect you for future expansion.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ A lack of non-farm development has created an opportunity in Perth. People who want to expand their operation are moving into the County because they know that there are not as many farms restricted by MDS [minimum distance separation]. Whereas in Niagara – once you get onto the back roads there are lots off all the farms – how would you ever site a livestock operation down there? This situation has brought in investment and brought new dollars into the agricultural economy in Perth. Land prices have also been very good.

IDENTIFY THE LEVEL OF IMPACT EXPERIENCED BY DIFFERENT TYPES OF NON-FARM DEVELOPMENT IN PERTH COUNTY

When asked about whether all types of non-farm development (e.g. surplus dwellings, retirement lots, etc.) have the same level of impact, each of the interviewees identified that over the long term they have the same impact.

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INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ Retirement lots were no different than rural residential lots.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ Retirement lots are detrimental to farmers.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ The policy to permit retirement lots should be removed from the Provincial Policy Statement.
PLANNER	<ul style="list-style-type: none"> ▪ Retirement lots have the same impact as other types of rural non-farm development. ▪ They only remain in the ownership of the retired farmer for a year or two and then they could be sold as a rural residential lot.

4.4.5 Recommendations

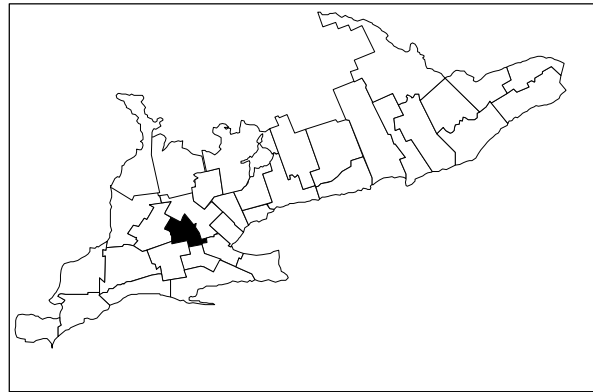
Each of the interviewees was asked to provide recommendations for a municipality concerned with rural non-farm development.

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ It is important to have strong and clear rules that protect farmers from the potential aggravation that comes along with rural non-farm development.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ Remove severance policies that permit the creation of surplus residential and retirement lots and limits urban development to built-up areas.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ It is important for government to educate people about agriculture and agricultural issues.
PLANNER	<ul style="list-style-type: none"> ▪ A municipality must have an understanding of what agriculture means to the local economy, and if the desire is to keep agriculture, staff and politicians must do what it takes to support agriculture.

4.5 Case Study: Waterloo Region

4.5.1 Introduction

Waterloo Region was selected as a case study because of the high growth rate within the Region and the low number of severances granted during the 1990s. Map 4.4 illustrates the location of Waterloo Region within Southern Ontario.



**Map 4.4: Location of Waterloo Region
in Southern Ontario**

While the Region of Waterloo has been subject to the trend of fewer farms with a larger acreage, the majority of the farms within the Region in 1996 were operated by an individual family, and remain relatively small. In 1996, individual families owned 52% of the farms in Waterloo Region. In 1996, the largest number of farms (578 or 36% of farms) fell between 70-129 acres in size (Regional Municipality of Waterloo, 1998). Farms in Waterloo Region tend to concentrate on the traditional agricultural production areas of beef, dairy, swine, poultry, and to a lesser extent cash crop (Regional Municipality of Waterloo, 1998). The presence of a large Mennonite and Amish population, who participate in more traditional types of agricultural production, may partially explain some of the trends in agriculture in Waterloo Region.

In 2001, the Region had farm sales totalling \$379,602,000 and reported 225,800 acres of arable land in 2001. The Region of Waterloo generated \$1681 of farm sales per acre.

4.5.2 Trends in Rural Development

During the 1990s, there were 2,950 severance applications received by Waterloo Region.

- Of those total severance applications, records indicate that approximately 84 new lots were created in land designated as agricultural. The percentage of total severance applications that resulted in new lots in agricultural land was very low in Waterloo Region for each year of the decade, and the decade overall.
- Over the decade, 25 lots were created as new farm parcels.
- There were 52 rural residential lots created over the 11 years. The Region considers these lots to be agricultural by definition, as they remain zoned and designated for agricultural use.

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Table 4.9 Severance Activity in Waterloo Region During the 1990s

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	1990-2000
Total Severance Applications	396	276	217	261	248	245	245	334	272	228	228	2950
New Lots Created in Agricultural Land	3	3	1	7	9	3	7	16	17	5	13	84
% of Total Applications	1%	1%	0%	3%	4%	1%	3%	5%	6%	2%	6%	3%

During the 1990s, there were 0.35 lots created per 1000 acres of agricultural land. This means that over the period there was approximately 1/3 of a lot created in a typical concession block.

4.5.3 Current Severance Policies in Effect

The Region of Waterloo has strong policies in place that prevents the creation of rural non-farm lots. These policies have been in place for several decades.

- The strong agricultural policies in place were developed as a result of the Region's environment-first principle and in recognizing the importance of the agriculture and rural communities within the Region (Waterloo Region Planner).
- "These strong policies have contributed to a low number of severances during the 1990s, despite urban growth pressures" (Waterloo Region Planner).
- Table 4.10 identifies the types of severances permitted by the Region of Waterloo Official Plan within agricultural areas.

Table 4.10 Severances Permitted in the Region of Waterloo Official Plan

Severances Permitted in the Region of Waterloo Official Plan						More restrictive than PPS	
Surplus	Retirement Lots	Infilling	New Farm Parcels (size)	Agricultural commercial/industrial	Institutional (on non-prime land)	No	Yes
No	No	Yes	Yes – 40 ha	No	Yes		X

Rather than permitting retirement lots, policies within the Region's Official Plan permit a retiring farmer to have a temporary dwelling (garden suites). The Plan also permits the establishment of an on-farm business without creating a separate lot.

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While the Region of Waterloo has had a long history of not allowing the creation of rural non-farm lots “in 1995, policy was approved that non-farm lots be permitted in the Beverley area to address the want or need for rural non-farm lots in the Region” (Waterloo Region Planner).

- The Beverley Area is a non-prime agricultural area.
- Much of the area has been already fragmented. It came to be the most appropriate area within the Region for rural non-farm development.
- Since this policy has come into effect, there has been an increase in number of rural non-farm severances.
- There has recently been discussion about removing the Beverly policies from the Plan. The farm community, as well as politicians are supportive of removing the Beverly Policy. “They do not see non-prime land as being non-agricultural land” (Waterloo Region Planner).

The Planner from the Region identified that they have a good relationship with the Waterloo Federation of Agriculture and received strong support from the agricultural community. The agricultural community in Waterloo Region supports the policies and the Region's intent to protect agricultural land.

4.5.4 Impact of Severance Activity

Interviews were conducted with a Regional Planner and three Farm Leaders to identify the viability of agriculture in a Region that has maintained a relatively low amount of rural non-farm development despite significant growth pressure on rural lands.

IDENTIFY THE TRENDS IN RURAL NON-FARM DEVELOPMENT IN WATERLOO REGION DURING THE 1990S

All individuals interviewed identified that the Region of Waterloo had a low number of rural non-farm lots created during the 1990s.

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ Low number of rural non-farm lots created in the 1990s. ▪ The amount of non-farm development is low because of twenty years of restrictive severance policies.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ Low number of rural non-farm lots created in the 1990s. ▪ While driving through Waterloo Region, it is evident that the Region has approved fewer severances than other areas.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ Low number of rural non-farm lots created in the 1990s.
PLANNER	<ul style="list-style-type: none"> ▪ Low number of rural non-farm lots created in the 1990s. ▪ The amount of non-farm development was low because of twenty years of restrictive severance policies.

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IDENTIFY KEY ISSUES FACING THE REGION OF WATERLOO'S AGRICULTURAL INDUSTRY

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ Proximity to market is a significant issue for farmers. Farmers in Waterloo Region have a competitive advantage because of its proximity to a large urban area (City of Kitchener-Waterloo).
FARM LEADER 2	<ul style="list-style-type: none"> ▪ Changing demographic of the farming community as a key concern.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ With an aging farmer population there is increased pressure to create retirement lots in the countryside.

IDENTIFY THE IMPACT OF RURAL NON-FARM DEVELOPMENT IN THE REGION OF WATERLOO

Despite the relatively low number of rural non-farm lots that have been created in the Region, each person interviewed was asked to identify the impact of rural non-farm development on agriculture.

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ If the Region had permitted more severances it would be far worse for agriculture to operate in Waterloo Region.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ We [the Region] have been strong for a long time in not allowing severances, so there is not much impact to farmers.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ Livestock commodities are always going to be more restricted "because of building requirements and meeting the minimum distance separation standards.
PLANNER	<ul style="list-style-type: none"> ▪ Even though there is limited non-farm development within the Region, the amount that is present has the potential to create minimum distance separation conflicts, for conflict between farm and non-farm residents and fragment the agricultural land base.

HAS NON-FARM DEVELOPMENT INFLUENCED INVESTMENT IN AGRICULTURE IN THE REGION OF WATERLOO?

Of the people interviewed, there was no consensus as to whether the limited amount of non-farm development in the Region positively or negatively impacted investment within agriculture.

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INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ Waterloo Region has not had the same amount of investment in the large livestock industry that Perth or Huron County has seen.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ Hard to say if there has been a positive or negative impact. ▪ Non-farm residents are buying small farms in the Region as non-farm residences and renting out the land. This action has driven up the price of small farms within the Region, making it difficult for farmers to buy the land.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ The fact that Waterloo Region has limited non-farm development is a bonus...it has allowed farmers to expand their existing operations rather than moving elsewhere to establish a new operation.
PLANNER	<ul style="list-style-type: none"> ▪ Hard to say if there has been a positive or negative impact.

IDENTIFY THE LEVEL OF IMPACT EXPERIENCED BY DIFFERENT TYPES OF NON-FARM DEVELOPMENT IN PERTH COUNTY

When asked about the impact of different types of rural non-farm lots (e.g. surplus dwelling, retirement lots, infilling), all of the people interviewed thought that these lots created the same impact for agriculture.

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none"> ▪ Region of Waterloo saw abuse of retirement lot policies early on (1970/80s) and as a result retirement lots have not been permitted since the mid-1980s.
FARM LEADER 2	<ul style="list-style-type: none"> ▪ The generation who severs the lot might not feel the impact from the severed lot, but the next generation may feel a significant effect. ▪ Spoken with a lot of retired farmers who moved into town rather than retiring on the farm. These farmers said, moving into town was the right thing to do.
FARM LEADER 3	<ul style="list-style-type: none"> ▪ Retirement lots are most detrimental to farmers.
PLANNER	<ul style="list-style-type: none"> ▪ All rural non-farm lots have a similar impact.

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4.5.5 Recommendations

Everyone interviewed in Waterloo Region had slightly different recommendations, for other municipalities, with regard to rural non-farm development.

INTERVIEWEE	RESPONSE
FARM LEADER 1	<ul style="list-style-type: none">▪ Need for municipalities to develop an understanding of the cost of rural non-farm development and also understand the importance of agriculture to the local economy.
FARM LEADER 2	<ul style="list-style-type: none">▪ Need to develop strong severance policies and establish a clear urban boundary.▪ Importance of consulting with and getting buy-in from the farm community.
FARM LEADER 3	<ul style="list-style-type: none">▪ Need for municipalities to create hard line policies to prevent the creation of rural non-farm lots.
PLANNER	<ul style="list-style-type: none">▪ Sometimes severance policies are put in place by a municipality for valid reasons and over time they become abused.▪ Municipalities must have straightforward and strong severance policies; strong local government; and a clear understanding of the importance of agriculture in their area.

4.6 Conclusion

This chapter summarizes the findings of seventeen interviews that were conducted with Farm Leaders and Planners from Niagara Region, Grey County, Perth County and Waterloo Region. The purpose of conducting these interviews was to determine the impact of rural non-farm development on the viability of agriculture under a variety of conditions.

This chapter identified individual's perceptions of the trends in rural non-farm development within their County/Region, and their understanding of the impact of rural non-farm development on both the operation and investment within the agricultural industry in the County/Region. Farm Leaders and Planners also made a significant number of recommendations on how to lessen the impact of rural non-farm development.

The results of interviews conducted with provincial commodity group representatives are presented and analyzed in Chapter Five. The results of the interviews conducted with provincial commodity group representatives will be analyzed to determine similarities and differences in the perceived impact of rural non-farm development.

Chapter Five: Commodity Group Case Study

5.1 Introduction

This chapter presents the results of the fifth case study – a survey of the top ten commodity groups. This case study was designed to gather information about the impact of rural non-farm development on the viability of the different commodity groups within Ontario's agricultural industry.

The top ten commodity groups by total receipts were selected for interviewing. Table 5.1 identifies the top ten commodity groups for Ontario in 2001.

Table 5.1 Farm Cash Receipts by Commodity, Ontario 2001

Rank	Commodity	\$'000	Percent %
1	Dairy products	1,369,058	16.1
2	Cattle and calves	1,222,821	14.4
3	Hogs	954,995	11.3
4	Floriculture and nursery	856,877	10.1
5	Fruit and vegetables	894,817	10.5
6	Poultry	616,849	7.3
7	Soybeans	447,430	5.3
8	Corn	376,959	4.4
9	Tobacco	244,454	2.9
10	Eggs	220,580	2.6
	Other	1,283,446	15.1
	Total Receipts	8,488,286	100.0

Source: Statistics Canada, 2001a, Catalogue No. 21-603.

Table 5.2 identifies the specific Ontario-based commodity groups that were interviewed. A copy of the questions that were asked during the interviews is included in Appendix C.

Table 5.2 Ontario Commodity Groups Interviewed

Rank	General Commodity Group	Specific Ontario Commodity Group Interviewed
1	Dairy products	Dairy Farmers of Ontario
2	Cattle and calves	Ontario Cattlemen
3	Hogs	Ontario Pork
4	Floriculture and nursery	Flowers Canada
5a	Fruit and vegetables	Ontario Fruit and Vegetable Growers

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5b	Fruit and vegetables	Tenderfruit and Grape Growers Association
6	Soybeans	Ontario Soybean Growers
7	Poultry	No response *
8	Corn	Declined Comment**
9	Tobacco	No response *
10	Eggs	Ontario Egg Producers

* Several attempts were made to speak to someone with this organization. There was no response to contact.

** An attempt was made to speak with someone with this organization. The organization declined to be interviewed because they did not know enough about the issue.

While attempts were made to interview a representative from each provincial commodity group, there were some organizations that declined to comment. In total, eight different provincial commodity group representatives were interviewed.

The names of the commodity groups will be used for the purpose of maintaining anonymity of the interviewees.

THE RESPONSES ARE ATTRIBUTED TO THE COMMODITY GROUP RATHER THAN THE NAME OF THE INDIVIDUAL INTERVIEWED. THE RESPONSES ARE THE OPINION OF THE INDIVIDUAL INTERVIEWED AND ARE NOT NECESSARILY THE POSITION OF THE COMMODITY GROUP.

Interviews were conducted with commodity group representatives between September 2002 and November 2002. The following discussion presents the results of the interviews conducted with the eight provincial commodity group representatives.

5.1.1 Key Issues Facing Ontario's Agricultural Industry

In response to the question on key issues for the agricultural industry are connected to severance activity, there were a number of issues mentioned. Four of the commodity group representatives noted that different municipalities, within Ontario, have different rules. These different rules lead to varied rural landscapes. Some municipalities have permitted very few rural non-farm lots, while other municipalities have allowed a significant amount of non-farm development. It was noted by the Flowers Canada interviewee, that the difference between municipalities leads to different costs for the greenhouse industry across the province. The difference in cost of development can lead to a competitive advantage for some producers.

All commodity group representatives identified the economics of production as an issue that has some connection to severance activity. The representative from the Tender

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Fruit and Grape Growers Association identified that the margin for profit in their industry is low, and they appreciate having severance policies that allow them to sever a retirement lot or surplus dwelling lot in order to reduce the cost of buying farms. Some commodity group representatives identified farmers sometimes rely on severances as a source of income.

Also connected to the economics of production was the notion that, because of increased costs of production, farmers often had to produce more to achieve the same rate of return (cost-price squeeze concept). In order to achieve this many farmers have felt pressure to intensify or expand their farming operations. It was noted by commodity group representatives, who can only grow their produce in certain areas (such as the Fruit and Vegetable Growers and Tender Fruit and Grape Growers), that competition for land is a significant concern.

A number of commodity group representatives felt that most people in Ontario have little understanding of agriculture. They believed this lack of understanding of normal farm practices does (or could) lead to complaints from rural non-farm residents about neighbouring farmers. They also said they believe it is, partially, this lack of understanding that leads to the 'not-in-my-back-yard' syndrome, which is typical when large livestock facilities are trying to locate in the area.

Several commodity group representatives were concerned about the relationship between the new regulations in the Nutrient Management Act and the scattered rural non-farm lots created in the countryside. At the time the interviews were conducted, a number of commodity group representatives had concerns that farmers spreading manure would have to stay a certain distance away from rural non-farm properties, thereby reducing the productivity of agricultural land surrounding these lots.

5.1.2 Impact of Rural Non-Farm Development

All eight commodity group representatives felt that, to some extent, their ability to operate has been negatively impacted by the presence of rural non-farm development. The most common implication cited during the interviews was the potential for conflict as a result of having non-farm residential lots in the countryside.

Each commodity group representative identified common complaints experienced by their members. Farmers, within the commodity groups interviewed, have experienced complaints about manure handling and spreading, spraying of pesticides, noise associated with farm operation, lights running at night, and the smell of the operation. The Ontario Egg Producers identified that "we are definitely impacted by non-farm lots, especially if they come close to an existing facility. Then we have complaints. Complaints are typically about manure handling, flies, or dust. The most common complaint is the smells associated with manure". Another concern raised by the livestock commodity group representatives was the minimum distance restriction that accompanies the creation of rural non-farm lots. The interviewee from Ontario Pork said, "The minimum distance separation is probably the most restrictive for hogs [of all

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livestock types]. We need more distance from non-farm lots than any other commodity group.”

Three of the farm commodity group representatives interviewed identified that, as people who may not have any connection to agriculture purchase rural non-farm lots, the demographic composition of the rural community changes. They felt this change in the composition of the rural population had implications for the farming community. It was identified that in some places the rural non-farm population put pressure on municipal council to provide additional services, which might lead to higher taxes in the municipality. The representative from the Ontario Fruit and Vegetable Growers recounted their experience with the change in the composition of the rural community in this statement:

As a result of the influx of the rural non-farm community in rural Ontario, [we see the creation] of a lot of policies being developed. Municipal by-laws have a city mentality not a rural mentality. They don't understand that things operate differently in rural communities compared to urban communities. We have experienced this with different municipalities across the province.(Ontario Fruit and Vegetable Growers representative)

The Fruit and Vegetable Growers have encouraged their membership to make sure that “if they have concerns, they elect people onto those councils that have a rural background and are sympathetic to the agricultural community”. Many of the commodity groups have members who are active in municipal government.

While it was identified that many of the complaints received by farmers come from rural non-farm residents who are not familiar with the agricultural industry, it was also noted by four commodity group representatives that the farm community creates many of these problems for themselves by severing non-farm lots off their own operation. The representative from the Tender Fruit and Grape Growers Association identified that “the non-farm resident is a nuisance for the farmer and the farmer is a nuisance for the non-farm resident”. The interviewee from the Soybean Growers identified that when the economic margin in agriculture is low some farmers have severed off lots from their farm as a source of income. The Tender Fruit and Grape Growers Association representative echoed the above comment when they said, “when a grower is not making a living off his farm, he needs to do something to put bread on the table and if that means severing off a lot from the corner of his farm – then that means he is going to do that”. It was identified that this practice is occurring less than it used to, partially because the regulations governing the creation of rural non-farm lots have become more restrictive.

When the commodity group representatives were asked to comment on the trends in non-farm development during the 1990s, four representatives identified that the overall decline in severance activity was good for their industry. The representative from Ontario Pork identified “the decline in severance activity across the province is very good for our industry. Most farmers you talk to say, non-farm development should be

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limited to marginal agricultural land and infilling in existing urban areas, and no other". The interviewee from the Dairy Farmers of Ontario commented, "if regulations governing the creation of rural non-farm lots are tightened up, it is a good thing for all sectors of the agricultural industry".

5.1.3 Concerns Raised by Farmers Regarding Impact of Rural Non-Farm Development

All eight commodity group representatives have raised issues about the implications of rural non-farm development. Three of the commodity group representatives actively encourage their members to engage in good neighbour policy⁶. Also, three commodity group representatives have been involved in developing Right to Farm legislation in Ontario. As long as farmers are following established normal farm practices, this legislation protects farmers from complaints. Typically, when a commodity group receives a general complaint about rural non-farm development they pass it on to a general farm group, such as the Ontario Federation of Agriculture or the Christian Farmers Federation of Ontario.

Commodity group representatives were asked to identify whether, in their opinion, non-farm development has positively or negatively influenced investment in their sector of the agricultural industry. Two commodity group representatives (Tender fruit and Grape Growers, Flowers Canada) stated that the presence of rural non-farm development did not have any impact on investment within their industry.

Four commodity group representatives (Ontario Egg Producers, Dairy Farmers of Ontario, Ontario Cattlemen, Ontario Pork) believed the presence of rural non-farm development has had a negative impact on investment in their particular agricultural sector. The four commodity group representatives that identified the impact as negative are all livestock producers. The impact that non-farm development has on the expansion of a livestock operation through minimum distance separation (MDS) is the most common reason why these groups thought the impact was negative. In order to expand their operation, some farmers either have to buy additional land around the existing operation or move the operation to an area where there is less of an impact from scattered residential development. "Over time the people who want to stay in the industry move to where the urban impact is less" (Dairy Farmers of Ontario Representative). Also, in areas of the province where there are fewer rural non-farm lots (for example: Huron County, Perth County, and Oxford County) farmland has risen in value. Therefore it is more expensive to buy a parcel of land where there are fewer restrictions as a result of non-farm development. Because the cost to expand an operation in some areas of the province is so high, as a result of either having to buy more land or move in order to expand, these commodity group representatives generally consider that non-farm development has negatively affected investment.

⁶ Good Neighbour Policy: This is an approach where the farmer keeps open communication between themselves and their neighbour. For example, it means the farmer is considerate of when he spreads manure. The farmer will spread manure on a Monday rather than on a Friday if his non-farm neighbours are having people over for the weekend.

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Two other commodity group representatives (Ontario Fruit and Vegetable Growers, and Ontario Soybean Growers) said that their sectors of the agricultural industry believed that rural non-farm development has had both a positive and negative impact on investment within their industry. Ontario Fruit and Vegetable Grower's representative identified that non-farm development has created a positive impact on investment because non-farm residents put pressure on the municipality for better infrastructure (schools, hospitals, road standards, etc.). They also acknowledged that non-farm development has had a negative impact on investment because it has removed land from production and creates the potential for conflict. The Soybean Growers representative identified that it has been positive in the sense that farmers have been allowed to sever lots off their farm and take the money from the sale of the lot and invest it in their farming operation. Although the same individual recognized that, in a number of cases where a lot was established, the farmer had to spend a lot of money to mediate conflicts raised by their new non-farm neighbours.

5.1.4 Impact on Specific Commodity Groups

All eight commodity group representatives felt that the livestock industry was the most impacted as a result of rural non-farm development. It was felt that livestock groups were most impacted as a result of having to comply with minimum distance separation, dealing with the not-in-my-back-yard syndrome that accompanies the location of large livestock facilities, and complaints around manure handling and spreading. All commodity group representatives thought that hogs were the most impacted of all livestock groups. The representative from the Ontario Cattlemen said, "Most people who do not know anything about farming and live in the country do not mind looking out onto a field of sheep. Don't mind seeing beef cows. But they sure do not want to smell pigs." This sentiment seemed to be shared by a number of commodity group representatives.

5.1.5 Impact of Different Types of Rural Non-Farm Development

All commodity group representatives were aware that rural non-farm lots were created for a variety of reasons. The most commonly cited reasons for creating a rural non-farm lot is severing a surplus dwelling from a farm, creating a retirement lot for a retiring farmer, and for the purpose of infilling. Six of the commodity group representatives said they felt all types of non-farm lots had the same impact over time because they all have the potential to create conflict in the countryside.

Three commodity group representatives identified that the creation of retirement lots were particularly problematic. It was identified that in many cases the decision to create a retirement lot is a short-term decision. The individual interviewed from the Dairy Farmers of Ontario acknowledged this concern in the following quote:

Too many severances are short term. It is a nice idea for me to retire on the edge of my farm. The reality is that probably most farmers don't retire

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until 10 years of not being able to live in that house themselves. So it is not a long time until there is a turn over in ownership of that lot. That is what starts to create a lot of the conflict. [It is] not the original severance that is the problem – the farmer that severs off a retirement lot or a lot for family. They understand where they are living. The next owner wants to live in the country because it is a nice thing to do but they want all the amenities of town (Dairy Farmers of Ontario Representative).

Both the Dairy and Cattlemen Association representatives identified that the retired farmer only owns a retirement lot for a very short time. They also noted it may not be the initial severance that is the problem – but rather the next owner that might cause concerns.

One commodity group felt that they did not have much of a feel for this and declined to comment. The representative from the Tender Fruit and Grape Growers Association identified that severances are important to their industry. This individual identified that severances allow farmers in the industry to purchase additional land:

One reason that farmers have been able to do that [expand] is that when they buy their neighbours farm and the house that comes with it – the buyer has been able to sever that surplus dwelling and sell it for whatever. That brings down the price of the land that he bought – to the value of the land. If producers were not allowed to do that and if they were stuck with a home that they could not sever off they would simply not be able to buy the land in the first place. It makes no sense to buy a farm with a reasonable house on it and take a bulldozer to it and tear it down.

(Tender Fruit and Grape Growers Association Representative)

During the interviews, a number of comments were made with regard to surplus dwelling severances. The representatives from the Tender Fruit and Grape Growers Association and the Egg Producers suggested that farmers often end up having problems with renting houses. The Tender Fruit and Grape Growers Association representative sees merit in severing the additional house rather than either renting it or tearing it down. The Tender Fruit and Grape Growers Association representative also identified the importance of being able to sever retirement lots for their industry:

The other type of severance that is important to us is when growers are trying to pass operations down to their family the farmer has to move somewhere - being allowed to have one retirement lot. This way a retired farmer can stay involved with the farm and stay in the area and help kids out as much as they can. It has happened a fair bit. I think that it is a good part of estate planning. Once the farmer has passed away and that house has become a surplus dwelling again then the option is to sell the unit off again. In most cases it becomes a useful technique.

(Tender Fruit and Grape Growers Association Representative)

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While the Tender Fruit and Grape Growers Association has identified that they find the policies that allow surplus dwellings and retirement lots to be severed helpful for their industry, it was acknowledged that they do have different impacts.

5.1.6 Involvement in Land Use Planning

Six of the eight commodity group representatives said that they did not get involved with any level of government with regard to any planning issues. The commodity group representatives said that they let the general farm organizations, such as the Ontario Federation of Agriculture and the Christian Farmers Federation of Ontario, deal with planning issues. Two commodity group representatives said that they stand up for their members on a case-by-case basis with regard to planning issues.

5.1.7 Recommendations Concerning Rural Non-Farm Development and Severance Activity

A large number of the groups were in favour of having provincially standardized policies regarding the types of severances that can be granted. One reason for developing provincial standards is to create uniformity between municipalities. One representative suggested asking municipalities to severely limit the amount of non-farm development that is created, while another group said the province must become more strategic in land use planning. Another representative said that the land use policies that are currently in place should be left well enough alone.

5.1.8 Role of Planning in the Protection of the Agricultural Resource

All eight commodity group representatives believed that there was a role for planning in advocating for the protection of both the agricultural resource and the agricultural industry. It was noted by one commodity group representative that there has been a huge loss of information since OMAF stopped commenting on severance applications. Several commodity group representatives felt that planners had a big role to play in educating the public about issues related to the importance of agricultural land. However, it was acknowledged that many planners do not understand agriculture themselves and that planners must understand agriculture in order to be able to plan for it. There was also a feeling that planning needs to develop realistic alternatives to developing on agricultural land (e.g. brownfield redevelopment plans, revitalize urban down-towns, etc.). There was also a general feeling that the planning role was one of educating, not advocating. Three provincial commodity group representatives believe that planning has a role to promote and maintain a balance between the different interests that are competing for the same agricultural resource.

5.1.9 Future of the Agricultural Industry in Ontario

Six of the representatives felt very optimistic for the future. The representatives from two commodity groups, Ontario Fruit and Vegetable Growers and the Tender Fruit and

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Grape Growers Association, felt their agricultural resource is being threatened because of a number of factors. Many of the members of these commodity group representatives are located in the Niagara Peninsula and the Bradford Marsh area. The area where these commodity group representatives can grow their produce is increasingly under pressure from urban growth and scattered residential uses. These groups are exploring new technologies to improve the productivity of current areas. They are also looking at how they can expand into other areas of the province. The future for these groups may be tenuous in Ontario if something is not done to limit the pressure for residential development on this scarce agricultural resource.

Two commodity group representatives said that it would not be severances that put agriculture out of business. One commodity group said:

It is not going to be land severances that drive our farmers out of business. Severances are an aggravation that may get you fed up enough to say – I don't need the hassle anymore – I am going to leave. If you really want to be in the business there are lots of areas you can move to.

(Dairy Farmers of Ontario Representative)

It was acknowledged by both groups that there are many other issues facing agriculture that will impact the viability of agriculture sooner than severances:

If you look at the issues facing agriculture – new legislation, world commodity prices – it is hard to get my head around planning. It is such a small issue compared to these other huge issues – which is unfortunate, because sometimes the important ones in this context don't get dealt with and they need to be dealt with. (Ontario Cattlemen Representative)

While both commodity group representatives identified that there are other issues influencing the future of Ontario's agricultural industry, the issue of severances needs to be dealt with. The interviewee from the Dairy Farmers said, "anything that reduces severance activity will be positive".

5.2 Conclusion

This chapter presents the findings of interviews that were conducted with individuals from eight different provincial commodity groups. The purpose of conducting these interviews was to determine the impact of rural non-farm development on the viability of agriculture under a variety of conditions.

This chapter identified individual's perceptions about the trends in rural non-farm development within the Province, and their understanding of the impact of rural non-farm development on both the operation and investment within their sector of the agricultural industry. The individuals interviewed from the eight provincial commodity

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groups made a number of recommendations on how to lessen the impact of rural non-farm development.

In Chapter Six the results of these interviews, combined with the results of interviews conducted with Farm Leaders and Planners in four 'geographic' case studies (presented in Chapter Four), are analyzed to determine similarities and differences in the information obtained, and in turn identify patterns that lead to a theory about the impact of rural non-farm development on Ontario's agricultural industry.

Chapter Six: Identifying the Impact of Rural Non-Farm Development on Ontario's Agricultural Industry

6.1 Introduction

To assess the impact of rural non-farm development on Ontario's agricultural industry this research identified the trends in rural non-farm development, and conducted several case studies. The previous two Chapters presented the results of the five case studies that were conducted: four geographic case studies (Niagara Region, Grey County, Perth County, Waterloo Region) and a provincial commodity-group case study. The purpose of this Chapter is to identify patterns, based on the results of the case studies that demonstrate the impact of rural non-farm development on the agricultural industry.

This Chapter analyzes the results from five case studies to determine similarities and differences in the information obtained, and in turn to identify patterns concerning the impact of rural non-farm development on Ontario's agricultural industry. It is acknowledged that identifying patterns of impact is particularly complex. There is no guarantee of the comprehensiveness of the impacts identified in the Chapter, as the absolute array of potential impacts on each individual sector of the agricultural industry is unknown.

This analysis makes the assumption that the most frequently-reported impacts are typically the most significant impacts. First, this analysis establishes that agriculture does feel an impact from the presence of rural non-farm development. Then it identifies the most significant and typical impacts felt by the agricultural industry. Particular attention is paid to identifying impacts on production and investment within the agricultural industry. Following this, an analysis is conducted on the recommendations with regard to rural non-farm development on the agricultural industry.

6.2 Identifying Patterns

6.2.1 Impact of Rural Non-Farm Development on the Viability of Agriculture

While there was debate over the exact impact of rural non-farm development, there was overwhelming agreement from the interviewees that rural non-farm development, and specifically residential development, has an impact on the viability of Ontario's agricultural industry.

The most commonly cited impact of rural non-farm development are the restrictions imposed on farmers as a result of minimum distance separation. Over half of the individuals interviewed identified that the presence of residential development in an agricultural area reduces the flexibility of farmers to expand and change methods of

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production because of the minimum distance restrictions imposed on a neighbouring agricultural operation.

It was acknowledged that the implications of minimum distance separation are of particular concern in areas where there is a significant livestock industry. A farm leader in Grey County noted that farmers, who are trying to locate a large livestock facility such as a hog barn, tend not to locate in Grey County because the significant number of residential lots would restrict expansion. On the other hand, Perth County, where there has been a very low amount of scattered residential development, has seen a significant number of large livestock facilities locate in the County because there are relatively few restrictions on their ability to expand. Where the livestock industry was not as significant a component of the local agricultural economy, such as in the Niagara Region, the restriction of rural non-farm development on a farmer's ability to expand was not reported as a significant concern. It is likely that this concern was not raised because the separation distance only applies to forms of agriculture producing livestock. Niagara Region has a relatively small livestock sector compared to the other case studies.

The livestock sector was overwhelmingly identified as the commodity group most impacted by rural non-farm development. All the individuals interviewed in the commodity-group case study identified the livestock industry is most impacted, primarily because of the impact of minimum distance separation on this groups of producers. It was acknowledged that cash crop commodity group felt some impact, with rural non-farm residents complaining about the spraying of pesticides. The results of both the commodity group case study and the Niagara Region case study suggest that the fruit and vegetable industry is probably the least impacted sector of Ontario's agricultural industry from rural non-farm development.

While minimum distance separation was cited as the most significant impact on the viability of agriculture, there were others identified. Some of these impacts include the fragmentation of agricultural land; the changing demographic composition of rural areas; increased demand on municipal services resulting in increased taxes; and costs to farmers from mediating conflict such as legal fees associated with law suits and board hearings.

Many of the individuals interviewed said they were aware of conflicts that had occurred between non-farm residents and farmers. Farm leaders identified common complaints from rural non-farm residents, including: complaints about manure handling and spreading; odour from manure and farm operations; noise from equipment and the farm operation; dust; spraying pesticides; and farmers driving equipment on the roads. The most commonly cited reason for complaints between owners of rural non-farm residential properties and farmers is because people are unfamiliar with agriculture and current agricultural practices. This reason was cited in each of the geographic case studies and the commodity group case study.

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Farm leaders in each of the geographic case studies reported that complaints about farmers by non-farmers were common, regardless of the amount of rural non-farm development in a county or region. While these types of complaints were reported to have occurred in all of the geographic case study areas, it was acknowledged that there was the potential to have more complaints in areas where there was more rural non-farm development.

Of the four geographic case studies, Perth County and Waterloo Region had significantly lower numbers of rural non-farm lots created during the 1990s than Niagara Region and Grey County had (see Chapters Three and Four). Based on the results of the case studies it appears that where a municipality had less rural non-farm development, there were fewer complaints and conflicts. Several individuals in Perth County and Waterloo Region expected that there would be more complaints if more rural non-farm development had been permitted. Comparing the geographic case studies, it appears that there is a perception among farm leaders and planners that, as more residential lots are established in agricultural areas, the potential for conflict increases. While farm leaders and commodity group representatives identified this perception during the interviews, it was stressed in the Niagara and the Grey County case studies that while there was a potential for conflict to arise, most farmers have good relationships with their non-farm neighbours. It was identified by a Grey County farm leader that when farmers make an effort to have good neighbour relations⁷ the potential for conflict was significantly reduced.

It is interesting to note that two of the counties and regions with the most restrictive severance policies, Perth County and Waterloo Region, were the most vocal about the impact of non-farm development. Farmers and planners in both these areas identified that there can be very serious impacts from non-farm development on the operation of a viable agricultural operation, and specifically a livestock operation. Whereas in Niagara Region there was a significant debate between farm leaders over the impact of rural non-farm development.

While there was overwhelming agreement that rural non-farm development had a negative impact on the viability of agriculture, the responses made by Niagara Region farm leaders, and farm commodity group representatives that are primarily concentrated in the Region (Tender Fruit and Grape Growers Association and the Ontario Wine Council), were not as clear-cut. The wine industry in Niagara Region is demanding a moratorium on development in order to keep grape growing land in production. A farm leader in the wine industry called severances "a death by a thousand cuts". While the wine industry wants to preserve Niagara's agricultural land, fruit and grape farmers claim that without severances they would go out of business. The tender fruit farmers interviewed during the Niagara case study identified that they need to be able to sever surplus dwellings and retirement lots in order to afford purchasing additional land and to invest in their farming operations. Wine producers identified the approach of severing good agricultural land in an attempt to remain viable is a short-term solution. A Niagara

⁷ Good neighbour relations include being conscious of neighbours when spreading manure, inviting neighbours over to see the farm operation, etc.

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Region farmer acknowledged that the issue of severance activity in Niagara Region is a complicated one. It is this kind of complexity that makes it difficult to develop a sweeping statement with regard to the impact of rural non-farm development.

Acknowledging the complexity and disagreement over the impact of rural non-farm development in Niagara Region, the majority of farm leaders, commodity group representatives and land use planners identified that rural non-farm development has a negative impact on the viability of Ontario's agricultural industry. It was noted that the most significant impact of rural non-farm development is the reduced flexibility of a livestock producer's ability to expand their farming operation or to change their method of production.

6.2.2 Impact of Rural Non-Farm Development on Investment within the Agricultural Industry

A key component in determining the impact of rural non-farm development on the viability of Ontario's agricultural industry involves understanding how the presence of non-farm development effects investment in the agricultural industry. Farm leaders, local planners and commodity group representatives were asked to identify whether they felt the level of rural non-farm lots in their area positively or negatively impacted the amount of investment made in the agricultural industry. It is important to state that the response to this question was based on the individual's personal experience and is expressed as their perception. This information has not been verified with economic analysis.

Based on the responses from individuals interviewed in each of the geographic case studies, the following trend was identified. Counties and regions with a high number of rural non-farm lots created during the 1990s saw a limited amount of investment in the livestock sector. This trend was demonstrated in the geographic case studies conducted in Niagara Region and Grey County. Both of these municipalities have a large amount of rural non-farm development that imposes minimum distance restrictions on large livestock industries and impedes their ability to expand.

Perth County and Waterloo Region had a relatively low number of rural non-farm lots developed during the 1990s. Perth County farm leaders identified that there has been significant investment in Perth County agriculture over the decade, with a large number of new livestock operations locating in the area, and with the expansion of existing agricultural operations. Farm leaders in Waterloo Region noted that investment in agriculture has remained strong over the last decade. It was the perception of farm leaders in these areas that the investment in the livestock industry is at least partially a result of low levels of rural non-farm development.

Another trend identified by farm leaders in Perth County and Waterloo Region is that where the livestock industry is predominant, land without restrictions from a rural non-farm lot is worth more money than land where a lot has been severed. This trend could

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have a positive or negative impact on investment in the agricultural industry in the area depending on whether you were buying or selling the land.

In Niagara Region, tender fruit farmers identified that there is investment in their agricultural industry because of the ability to create rural non-farm lots. By creating a rural residential lot, farmers are able to purchase farms without having to pay for the house and they are able to take the money from the sale of the lot and invest it in labour, technology, or purchasing more land. The perception of the tender fruit industry is that rural non-farm development provides a positive impact on investment in their industry.

There were a significant number of commodity group representatives who identified that rural non-farm development had both a positive and negative impact on investment in the agricultural industry. These groups said that as the level of rural non-farm development increased in an area, some farmers are forced to relocate their agricultural operation in order to be able to expand. They identified that this trend leads to disinvestment in agriculture in some parts of the province and investment in other areas.

Two general conclusions can be made with regard to the impact of rural non-farm development on investment within the agricultural industry. The first is that investment in the livestock industry, in terms of expansions and establishing new operations, tends to occur in areas where there is a limited amount of rural non-farm development. The second conclusion is that, with the exception of the first conclusion, there is no clear trend regarding the impact of rural non-farm development on investment within agriculture. Whether an individual considers the impact of non-farm development to be positive or negative on agriculture depends on where they live, and the type of agricultural industry they are involved in.

6.2.3 Impact of Different Types of Rural Non-Farm Development on the Agricultural Industry

Municipalities establish a number of types of severances that are permitted within land designated as agricultural in their Official Plan. Typically, under provincial policy statement, municipalities may chose to permit the creation of retirement lots, surplus dwelling lots and infilling lots in agricultural land. Part of understanding the impact of rural non-farm development on agriculture is determining whether or not different types of rural non-farm lots impact agriculture differently.

The vast majority of people interviewed felt that all types of non-farm development, including retirement lots, surplus dwellings and infilling, had the same long-term impact. Three people felt that creating a surplus dwelling lot had less of an impact on agriculture than a retirement lot, because in a surplus dwelling severance the house already exists.

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Farm leaders in each of the geographic case studies identified that retirement lots are detrimental to the future of agriculture⁸. A significant number of people interviewed, both from the commodity case study and the geographic case studies identified that retirement lots do not remain in the ownership of the retired farmer for very long. A number of the farm leaders and representatives from provincial commodity group representatives identified that retirement lots have had excessive abuse over the years. A number of farm leaders identified that retirement lots only stay in the hands of retired farmers for a short period. Lots originally created as retirement lots are often purchased by non-farm residents. Farm leaders and the Regional Planner in Niagara Region identified that there was abuse of these policies. Several farm leaders and planners in Grey County, Perth County, Waterloo Region and Niagara Region identified that the potential to create retirement lots should be removed at the provincial level.

While there were a few individuals interviewed who felt that surplus dwelling lots had slightly less of an impact than retirement lots, the vast majority of farm leaders and planners identified that, over the long-term, all types of rural non-farm lots have the same impact. This pattern was expressed by the majority of people interviewed in each of the five case studies.

6.2.4 Recommendations with Regard to Rural Non-Farm Development

Interview participants were asked to identify what recommendations they would give to either their own municipality or other municipalities with regard to rural non-farm development. The following discussion demonstrates the patterns that emerged from the interview data.

The majority of people interviewed (23 of the 25 people) provided a recommendation that would fall into one of two categories: a recommendation to control the amount of rural non-farm development created in agricultural areas; or a recommendation to reduce the potential for conflict between rural non-farm residents and their farm neighbours.

Farm leaders and planners from Counties/Regions where there have been lower numbers of rural non-farm lots created during the 1990s generally felt that the amount of rural non-farm development should be limited.

These farm leaders and planners made a number of more specific recommendations. Two farmers felt that the agricultural community should ask municipalities to severely limit rural non-farm development. Five provincial commodity group representatives said there should be provincially-set standards with regard to rural non-farm development and everyone should operate under the same rules. A farmer in Perth County said that the ability to create retirement lots should be removed from the Provincial Policy Statement. Three farmers from different Counties felt that urban development should

⁸ W.J Caldwell and R. Dykstra (University of Guelph) are currently conducting a study looking at the issue of retirement lots in agricultural lands.

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be confined to urban areas, and attempts should be made to explore strategic alternatives to greenfield development. Two farm leaders, one from Niagara Region and one from a provincial commodity group, felt that planning must be done at a regional level because it takes a more comprehensive approach to development. A farmer in the Wine Industry even went as far as suggesting that there should be a moratorium on development within the tender fruit and grape growing lands within the Niagara Peninsula.

A number of farmers and planners from Waterloo Region and Perth County, where the severance policies have led to a low number of rural non-farm lots over the 1990s, said that municipalities need elected officials who are committed to making decisions that are supportive of agriculture. They also identified the need to have policies that are strong, straightforward and clearly understood. Three of these individuals felt that in order to develop strong policies, planners and politicians need to understand the value of agriculture to the local community.

There were two people who felt that their municipality had appropriate severance policies in place and did not want to see any changes made. Both individuals were involved in the Tender Fruit industry and felt that the policies that were in place in Niagara Region are fine the way they are, in fact, they felt it was necessary to permit retirement lots and surplus dwellings in order to keep the tender fruit industry viable. One of these individuals felt that there was an urgent need to repair the disconnect between those making land use decisions and those making decisions regarding international trade.

6.3 Conclusion

This Chapter has identified impacts of rural non-farm development on the viability of agricultural communities, based on the results of several case studies. A number of patterns emerged from the case study data to begin building a hypothesis regarding the impact of rural non-farm development on the agricultural community in Ontario. The results from the case study data identified in general that agriculture is negatively impacted by the presence of rural non-farm development. The most significant impact of rural non-farm development on agriculture, and the livestock sectors in particular, is the introduction of minimum distance separation as a result of a residential use being established in the countryside. The minimum distance separation imposed on a livestock operation reduces the flexibility of an operation to expand and change forms of production in response to changing trends in global agriculture. It has also been documented in this Chapter that in an area where livestock production is prevalent, land without restrictions from rural non-farm development has a higher value than land that is restricted.

The case study research has also identified that, over the long-term, the impact of all types of rural non-farm lots, regardless of whether they were initially created as a farm-related lot (such as a retirement lot) do not stay in the ownership of a retired farmer for

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long and in many cases these lots become rural residential lots within a few years of being established.

Analysis was also conducted on recommendations regarding rural non-farm development. There were two general recommendations made by the majority of people interviewed. The first general recommendation was to control the amount of rural non-farm development created in agricultural areas. The second general recommendation was to reduce the potential for conflict between rural non-farm residents and their farm neighbours.

It is acknowledged that the patterns identified from the case study data are not necessarily comprehensive of the absolute array of potential impacts on each individual sector of the agricultural industry within Ontario. Identifying impacts on such a diverse industry is particularly complex. Rather, the patterns identified in this Chapter are based on recurring impacts that were established within and between the case studies that were conducted for the purpose of this research.

Chapter Seven: Conclusion

7.1 Introduction

This study has explored the impact of rural non-farm development on the viability of Ontario's agricultural industry. By identifying the number of rural non-farm lots that have been created, the study has established for the first time a comprehensive understanding of number and distribution of rural non-farm lots created in Ontario's agricultural land during the 1990s.

This study undertook five case studies, with four geographic studies in Niagara Region, Grey County, Perth County and Waterloo Region focusing on the perceived impacts felt by planners and farm leaders in each county and region. The fifth case study explored the perception of farm leaders from eight provincial commodity group representatives. The purpose of these case studies was to gain information leading to an explanation of the impact of rural non-farm development on Ontario's agricultural industry.

The findings of the case studies were analyzed and conclusions were drawn, with the most commonly experienced impacts indicated. Based on these conclusions, the impact of rural non-farm development on the viability of Ontario's agricultural industry can now be considered and future direction can be suggested.

The intent of this final, and concluding Chapter is to draw together the major components of this study. These include: the trends in rural non-farm development during the 1990s in Ontario's agricultural land; the impact of rural non-farm development on the viability of agriculture; recommendations to assist rural communities and policy makers with responding to rural non-farm development and to encourage the long-term viability of Ontario's agricultural industry; the significance and contribution of this research to planning theory and practice; and suggestions for further analysis within this area of study.

7.2 Trends in Rural Non-Farm Development During the 1990s in Ontario's Agricultural Land

Trends in rural non-farm development during the 1990s in Ontario's agricultural land were presented in Chapter Three. Almost 80% of the new lots (12,364 lots) created during the 1990s introduced a strictly residential use into the province's agricultural resource. Based on the assumption that rural residential lots are typically an acre in size, the province of Ontario lost approximately 12,500 acres of prime agricultural land as a result of scattered residential development over the past decade.

Over the past few decades Ontario has seen a significant intensification of the livestock industry. When a rural non-farm residence is established, it imposes a restriction known as minimum distance separation, on agricultural land surrounding the lot. While there

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are not many operations in the province as large as 10,000 feeder hogs, if a livestock operation of that size was built, a little over half of Ontario's 13,507,357 acres of agricultural land (Agricultural Census, Statistics Canada, 2001) would be restricted by the severance activity during the 1990s.

The data presented in Chapter Three demonstrates that rural non-farm development is distributed unevenly throughout Ontario's Counties and Regions. As a result, the impact felt by the agricultural industry is also varied. Where there is more rural non-farm development there is more impact felt by the agricultural industry in terms of loss of prime agricultural land and through the minimum separation distance restriction that accompanies rural non-farm development. There are some counties and regions, based on the level of severance activity, where the future of the livestock industry is in jeopardy.

The trend in rural non-farm development during the 1990s was an overall decrease in the creation of lots. This decrease was a function of stronger and more restrictive policies that limit the creation of rural non-farm development. Niagara Region is one of the few counties or regions where the severance policies have become more permissive over the decade. Generally the severance policies governing the creation of rural non-farm lots have become more restrictive. Municipalities where policies are stronger seem to have a greater awareness of the importance of agriculture to the local economy. These municipalities also tend to have stronger political commitment to supporting the long-term future of the agricultural industry in their area. Perth County and Waterloo Region are examples of municipalities that have adopted policy during the 1990s that severely limits severances for residential use on agricultural lands.

While there is an overall provincial trend toward the creation of fewer rural non-farm lots in agricultural land, the creation of each additional lot adds to the cumulative effect of fragmenting the agricultural land base and thereby continues to impede agricultural production. The continued viability of agriculture in rural Ontario is at least partially dependent upon the ability of the farm operator to identify the changing trends in agriculture and respond accordingly. The ability of the farmer to respond, however, is increasingly affected by the cumulative presence of non-farm development.

The Phase I Report entitled, *Ontario's Countryside: A Resource to Preserve or an Urban Area in Waiting – A Review of Severance Activity in Ontario's Agricultural Land During the 1990s*, provides more detailed information about trends in rural non-farm development in Ontario during the 1990s. This report provides detailed information on the numbers and types of severances created in agricultural land in 34 of Ontario's counties and regions. This report is available at the following website: www.waynecaldwell.ca.

7.3 Impact of Rural Non-Farm Development on the Viability of Agriculture in Ontario

Chapter Four and Five identified impacts of rural non-farm development on the viability of agricultural communities, based on the results of five case studies, four geographic case studies and one sectoral case study of eight provincial commodity group representatives. The results of this study are based on five case studies, including twenty-five interviews. Chapter Six illustrates a number of patterns that emerge from the case study data.

The patterns identified from the case study data are not necessarily reflective of all potential impacts on each individual sector of the agricultural industry within Ontario. Identifying the impacts on such a diverse industry is particularly complex. Rather, the patterns identified in this Chapter are based on recurring impacts that were established within and between the case studies that were used for the purpose of this research.

The results from the case studies data demonstrate that agriculture is generally negatively impacted by the presence of rural non-farm development. The most significant impact of rural non-farm development on agriculture is the introduction of minimum distance separation as a result of a residential use being established in the countryside. This impact is most significant on the livestock sector of the agricultural industry. The minimum distance separation imposed on a livestock operation reduces the flexibility of an operation to expand and change forms of production in response to changing trends in global agriculture.

Many of the severances that occur within Ontario's agricultural land are justified because they are considered to be "farm-related". The case study data identified that in reality, there are few farm-related severances that remain truly connected to agriculture. It was clearly established that farm retirement lots do not stay in the ownership of a retired farmer for long. Although these types of severances are often treated differently in official plans they have essentially the same result – a freestanding residential lot in the countryside.

One of the patterns established from the case study data that was not discussed in the literature was that where policies are stronger and less rural non-farm development occurs there tends to be more concern about non-farm development relative to an area where there is a higher amount of development. This may be because municipalities that have stronger policies are also where Ontario's livestock industry is concentrated.

The results of the survey of severance activity and the case study interviews identified that while it may be difficult to identify all the potential impacts of rural non-farm development in Ontario's agricultural areas, the findings of this research conclude that there are counties and regions, such as Niagara Region and Essex County, where the future of the livestock industry may be in jeopardy because of the high number of rural non-farm lots and the minimum distance separation that they introduce.

7.4 Recommendations to Encourage the Long-Term Viability of Ontario's Agricultural Industry

The recommendations identified in this paper are based on the findings of the case study interviews, as well as the researcher's personal experience.

There were two general recommendations made by the majority of people interviewed. The first general recommendation was that the amount of rural non-farm development created in agricultural areas should be limited. In order to develop strong local policies to limit the creation of rural non-farm development at the municipal level, both planners and politicians must be aware of the composition and importance of agriculture to the local economy. This type of information can be a determinant of the type of severance policies that should be implemented. Policy makers must be concerned with the cumulative impact of rural non-farm development on the viability of the agricultural industry. Once rural non-farm development is established in agricultural land, the lot, and many of its accompanying impacts, exist indefinitely.

The findings of this research demonstrate that rural non-farm development has the most impact on the livestock sector of the agricultural industry. Based on this finding, it is recommended that municipalities with a significant livestock industry limit the creation of rural non-farm development through the implementation of strong severance policies. Areas that have implemented a long-term vision for agriculture will continue to have a viable agricultural industry in the future.

The province has established a Provincial Policy Statement that determines the type of rural non-farm lots that may be created in the province. It was recommended by the interviewees that the province should remove retirement lots from the Provincial Policy Statement because of the negative impact of these lots on the agriculture industry, and on the livestock sector in particular. Also, with the Province of Ontario currently developing a Smart Growth Strategy, the impact of rural non-farm lot development on the sustainability of the agricultural resource must be considered as part of this Strategy. The province needs to ensure that it has fully considered the allocation and sustainability of the agricultural resource.

The second general recommendation from those interviewed was to reduce the potential for conflict between rural non-farm residents and their farm neighbours. In order to avoid conflict between rural non-farm residents and farm residents, people must understand the importance of agriculture to society. They must be aware of current agricultural practices. Farmers also have a responsibility to engage in good neighbour relations including: talking to neighbours; making neighbours aware of agricultural practices; being conscious of neighbours when spraying pesticides or manure.

Planners have a role in educating communities about the societal importance of maintaining agricultural land. Planners can work in cooperation with other agricultural groups and non-farm resident committees to develop community awareness

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programming. In order to help educate communities about the importance of agriculture, and current agricultural practices, urban and rural planners must be educated about the significance of Ontario's agricultural resource and understand how the recommendations they make impact the agricultural resource and the agricultural industry. Effort should also be made to introduce agricultural issues and planning as a key component of the curriculum in both urban and rural schools, and in university programs.

Municipalities, such as Waterloo Region and Perth County, have adopted severance policies that have been supportive of agriculture over the long term. These municipalities have recognized the significance of agriculture in their economy and have developed severance policies to protect it accordingly. Farmers, planners and politicians in Waterloo Region and Perth County have had a long history of being committed to encouraging the viability of agriculture by ensuring that the industry has a land base, relatively free of restrictions, in which it can operate. By limiting the number of rural non-farm lots, these municipalities have been able to protect the agricultural community from some of the negative impacts associated with this form of development.

On the other hand, Niagara Region has had a more piecemeal approach to protecting agricultural land. Unlike most counties and regions in the province, Niagara Region actually adopted more permissive severance policies during the 1990s. It was documented earlier that there is significant debate between the tender fruit/grape growers in the Region and the wineries. This approach has the potential to allow for the development and implementation of policy that is advantageous to the most dominant interest group rather than considering the comprehensive impact of a series of incremental decisions on the future of the public good, and in particular on the agricultural resource.

At the beginning of the 1990s, Grey County's approach to creating rural non-farm lots was very similar to Niagara Region. During the early 1990s, the granting of rural residential lots in the countryside was out of control in Grey County and the Province stepped in. The Province superseded the County's authority to grant severances for a period of time, and required the County to pass a new Official Plan. Since that time, the amount of rural non-farm lots that have been created in Grey County has changed dramatically. Grey County used a comprehensive approach to develop their new County-wide Official Plan, which was adopted in 1997⁹. The County evaluated options to encourage the long-term viability of agriculture prior to developing severance policies. While the lots that were created prior to 1997 exist, the severance policies in Grey County are now comparable to municipalities such as Waterloo Region and Perth County. Much of the change in the approach to planning for agriculture in the County has been attributed to support from the agricultural community for more restrictive severance policies and strong political commitment.

⁹ Refer to Chapter Four for a description of the process Grey County followed to develop their County Official Plan which was implemented in 1997.

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Based on the above examples, if a municipality is interested in the viability of its agricultural industry, it must adopt severance policies that are supportive of the long-term future of the agricultural industry. In order to adopt these types of policies politicians must recognize the importance of agriculture in the area and make decisions to support agriculture accordingly. This approach is most likely to address the long-term cumulative impact of rural non-farm development on the agricultural resource.

It is important to acknowledge that planning policy alone will not ensure the long-term viability of Ontario's agricultural industry, but it will assist in ensuring that agriculture has a land base on which to operate. Ensuring agriculture has a land base on which to operate is one key component of a complex set of actions that are required to ensure its viability. The recommendations in this study need to be implemented in order to help ensure agriculture in Ontario can remain viable.

7.5 Suggestions for Further Analysis and Research

This study provides the agricultural and planning communities with comprehensive documentation of trends in rural non-farm development, and related impacts on agriculture. It has filled a significant gap in the knowledge of the creation and distribution of rural non-farm lots in Ontario's agricultural land during the 1990s. While this research has presented answers to many questions, it has also identified issues that require further research.

This research has focused on the creation of rural non-farm lots in land designated as agricultural in a local official plan. Based on this criteria there were 57,000 other severance applications, some of which created new lots created in towns, villages, hamlets and areas designated as rural that were not considered as part of this study. This research has not considered either the trends in the creation of these types of lots, nor the potential impact of these lots on the agricultural industry. The documentation of the creation and impacts from these other types of lots would be an interesting project to provide a more complete picture of severance activity during the 1990s.

This research has identified the impact of rural non-farm development on the viability of Ontario's agricultural industry at one point in time. Over time, the results of this research must be verified to understand whether the impacts identified here are still applicable for the evolving agricultural industry.

At this time, there is no central agency that monitors or records the creation of rural non-farm lots in the agricultural resource. Unless a central organization collects this data, a researcher must use a similar methodology as used in phase one of this research design, and travel to each of the counties and regions that have a significant agricultural resource and in many cases compile data manually. It took almost 18 months to collect the primary data on the creation of rural non-farm development for the purpose of this research. It is critical to ensure on-going monitoring of the creation of rural non-farm lots in agricultural lands.

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This research provided a very limited review of planning policy that has contributed to the trends in rural non-farm development over the 1990s. It would be useful to undertake a more detailed study of planning policy. It would be interesting to identify how many municipalities have policies that are more restrictive than provincial policy. The results of this research would be valuable to the provincial government as they review the provincial policy statement.

This research has been conducted using a case study methodology and strategic sampling. It would be valuable to repeat the phase two component of this study research using a larger sample, and a questionnaire.

The interviews conducted during the case studies provided some unexpected results. For example, based on the literature, it was anticipated that in the Niagara Region, which had the highest number of rural non-farm lots per 1000 acres, farmers would have identified that they had experienced a significant impact from these lots. In speaking with farm leaders from the tender fruit industry, they stated that they felt little impact and in fact needed to be able to create rural non-farm lots in order to remain viable. Conversely, wineries in the area have identified rural non-farm development as an impediment to production and have gone, as far as saying that a moratorium should be put on development. There are a number of issues and questions that arise from the Niagara Region case study that merit further detailed research.

There is the potential for a variety of further research questions that flow out of the findings of this study. As the viability of the Ontario agricultural industry, and more specifically the future of the agricultural resource, continues to be threatened from scattered rural development and expanding urban boundaries, there is an increased need to ensure that research continues to be conducted and disseminated.

7.6 Conclusion

Prior to this research there was no accurate count of the number, type or distribution of new rural non-farm lots created during the 1990s, nor an understanding of the impact of these lots on the agricultural industry. This has made it difficult to truly understand the impact of severance policies on the continued viability of Ontario's agricultural industry.

In order to fill this gap in knowledge the following goals for this research were established: to identify the impact of rural non-farm development on Ontario's agricultural industry; to develop recommendations to assist rural communities and policy makers respond to rural non-farm development and encourage the long-term viability of Ontario's agricultural industry; and to understand patterns and trends in rural non-farm development in Ontario's agricultural land during the 1990s. Each of these goals have been met through the course of this study and documented through Phase I and II of this study.

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During the 1990s, there were over 15,500 new lots created in Ontario's agricultural land. Of those 15,500 lots, 80% or 12,364 new residential lots were created in Ontario's agricultural land base. Some of these lots were created as non-farm residential lots and others were created as so-called farm-related residential lots. Regardless of the reason why these lots were created, they continue to remove land from production; continue to introduce restrictions on the operation and expansion of farms; and have the potential to create conflict. The literature has also identified other concerns such as: food production potential; lack of rural economic development; and changes in the demographic composition of rural Ontario.

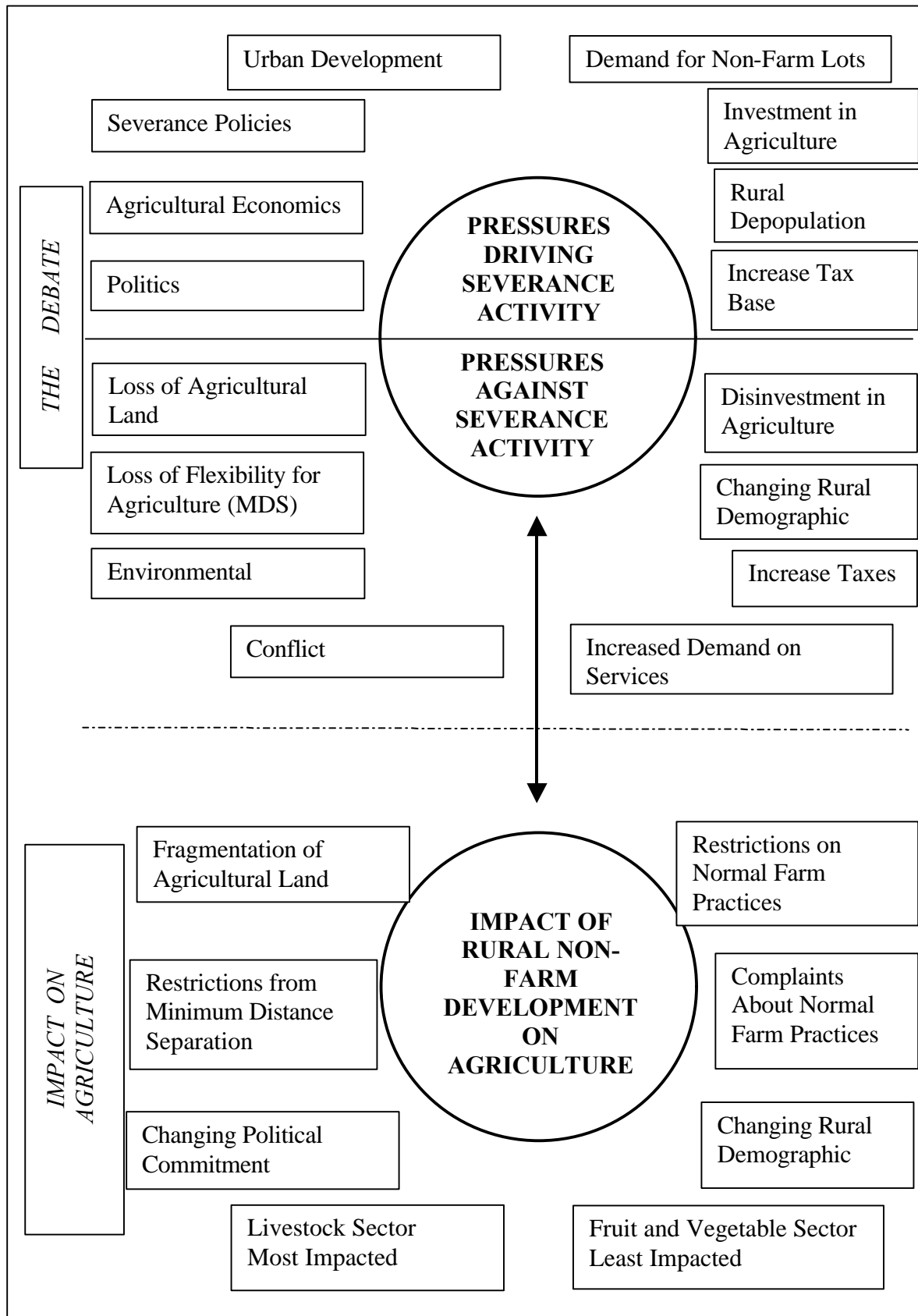
Ontario has seen a decrease in the number of new lots that have been created in its agricultural land over the 1990s. Despite this trend, it is critical to consider that each new non-farm lot created adds to the cumulative effects of fragmenting the agricultural land base and imposing minimum distance separation, thereby continuing to impede agricultural production. The continued viability of agriculture in rural Ontario is at least partially dependent upon the ability of the farm operator to identify the changing trends in agriculture and respond accordingly. The ability of the farmer to respond, however, is increasingly affected by the cumulative presence of non-farm development. The long-term welfare of many rural communities is dependent upon the preservation of the agricultural land resource.

The complexity of the issues surrounding the creation of rural non-farm lots has been identified in research and documented in this paper. The literature and the data gathered from each case study have identified that there is a debate between pressures that drive severance activity, and pressures against severance activity, that suggest severance activity resulting in rural non-farm development has an overall negative impact on the viability of agriculture. This research has also documented a number of perceived impacts of rural non-farm development. The debate and the resulting impacts of rural non-farm development on the viability of Ontario's agricultural industry that have been documented in the literature and data from this study is summarized in Figure 7.1.

While there is no guarantee that the pressures driving the debate and impacts summarized in this paper are comprehensive, regardless of the pressures for or against severance activity, the impacts resulting from rural non-farm development have the potential to threaten the long-term viability of Ontario's Agricultural industry.

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Figure 7.1 Summary of the Impact of Rural Non-Farm Development on the Viability of Ontario's Agricultural Industry



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The central and encompassing observation of the study is that the presence of rural non-farm development limits agriculture's ability to respond to changing trends. It physically removes agricultural land from production; fragments the land base; and imposes minimum distance separation, thereby potentially restricting a livestock farmer's ability to expand or change their means of agricultural production. All of these impacts have the potential to limit the flexibility of agricultural producers.

Based on levels of rural non-farm development within some counties and regions in the province, there are certain areas where the long-term viability and opportunities for the livestock sector is threatened. While historically we have judged the natural advantages of an area for agricultural production based on climates and soils, the agricultural community must now increasingly consider the impact of urban development and indiscriminate rural non-farm development as an impediment to agricultural production.

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Appendices

Appendix A: Questions for Planners

There are two purposes in conducting this interview: 1. to gain an understanding of the impact of non-farm development on agriculture in your area; and 2. to obtain further understanding the cause for the respective amount of severance activity. The questions provided below are the questions that will be asked during our conversation. If you do not feel comfortable answering any of these questions please feel free to decline.

1. Based on the information provided for your municipality, describe the trend of rural non-farm development in your municipality over the 1990s.
2. What factors/reasons, in your opinion, have produced this trend?
3. Does this non-farm development have an impact on the agricultural community? If so, what type of impact does this development have?
4. Do you feel that all types of non-farm development have the same level of impact on an active agricultural industry? (retirement lot, surplus dwelling, infilling, rural residential).
5. Do you think certain types of non-farm development (retirement lots, surplus dwellings, infilling, rural residential) are appropriate? If so, which type of non-farm development is more appropriate than others?
6. What type of development do your policies currently allow in agricultural land (surplus dwelling, retirement dwelling, infilling, etc.)?
7. Have you had any significant change in planning policy during the 1990s?
8. Please discuss the role of various groups (planners, politicians, farm community, urban and non-farm community) in the development of the severance policies and their reaction to the policies as implemented.
9. What proportion of the decisions made on severance applications is consistent with the official plan?
10. What is the reaction of the various communities to the policy now that it has been in place for a number of years?
11. What recommendations would you make to either your own municipality or other municipalities to concerning rural non-farm development? What conditions would need to be in place in order to these recommendations to be implemented?
12. Is there a role for planning in advocating for the protection of the agricultural resource and the agricultural industry? Can planning act as an advocate for agriculture and maintain a balance between different interests within the community?
13. Given the level of severance activity in your area and the province in general, how optimistic are you for the future of agriculture?
14. Can you think of any people who you would consider to be local farm leaders in your area?

Appendix B: Questions for Farm Leaders

The main purpose of conducting this interview is to gain an understanding of the impact of non-farm development on agriculture in your area. The questions provided below are the questions that will be asked during the interview. If you do not feel comfortable answering any of these questions please feel free to decline.

1. Based on the data provided to you, can you identify trends in non-farm development in agricultural land for both, this county/region and the province?
2. What are the key issues facing Ontario's agricultural industry? Are any of these issues connected to severance activity?
3. Do you think the viability of agricultural operations is impacted as a result of non-farm development in the countryside? If so, what impact does rural non-farm development have on agriculture?
4. Have farmers raised issues to you or your organization regarding specific implications of non-farm development?
5. Would it be your opinion that non-farm development has positively or negatively influenced investment in agriculture in your area?
6. Rural non-farm lots are created for a number of purposes (i.e. surplus dwellings, retirement lots, infilling). Do you feel that all types of non-farm development have the same level of impact on an active agricultural industry? If not, which types of non-farm development have more impact than others? Do you think certain types of non-farm development are appropriate?
7. Do you feel that all commodity groups within agriculture are equally impacted by non-farm development? Which commodity groups might feel more impact than others, and why?
8. Are you aware of any changes in the policy which governs the creation of non-farm lots during the 1990s in your municipality? If so, has there been a corresponding change in the impact felt on the agricultural community?
9. Have you or your organization been involved with planning at a local, county/regional, and/or provincial level? If you have involvement, can you give an example of your involvement? What level of government do you have most involvement with?
10. What recommendations would you make to either your own municipality or other municipalities concerning rural non-farm development? What conditions would need to be in place in order to these recommendations to be implemented?
11. Is there a role for planning in advocating for the protection of the agricultural resource and the agricultural industry? Why or why not? If so, what role should planning take in advocating for agriculture? Can planning act as an advocate for agriculture and maintain a balance between different interests within the community?
12. Given the level of severance activity in your area and the province in general, how optimistic are you for the future of agriculture?

Appendix C: Questions for Provincial Commodity Groups

The purpose for conducting these interviews is to gain an understanding of the impact of non-farm development on agriculture on your sector of the agricultural industry. The questions provided below are the questions that will be asked during the interview. If you do not feel comfortable answering any of these questions please feel free to decline.

1. What are the key issues facing your sector of Ontario's agricultural industry and how are these issues connected to severance activity?
2. Based on the data provided to you, what do you think the corresponding implications are for your specific sector of the agricultural industry, and/or agriculture in general?
3. Do you feel that your sector of the agricultural industry is impacted by the creation of non-farm lots in agricultural land?
4. Have farmers raised issues to you or your organization regarding specific implications of non-farm development?
5. Would it be your opinion that non-farm development has positively or negatively influenced investment in your sector of the agriculture industry?
6. Do you feel that all commodity groups within agriculture are equally impacted by non-farm development? Which commodity groups might feel more impact than others, and why?
7. Rural non-farm lots are created for a number of purposes (i.e. surplus dwellings, retirement lots, infilling). Do you feel that all types of non-farm development have the same level of impact on an active agricultural industry?
8. Have you or your organization been involved with planning at a local, county/regional, and/or provincial level?
9. What recommendations would you make to municipalities concerning rural non-farm development? What conditions would need to be in place in order for these recommendations to be implemented?
10. Is there a role for planning in advocating for the protection of the agricultural resource and the agricultural industry?
11. Can planning act as an advocate for agriculture and maintain a balance between different interests within the community?
12. Given the level of severance activity in the province, how optimistic are you for the future of your particular sector of the agricultural industry in Ontario?

Appendix D: Study Interviewees

Provincial Commodity Groups

Tenderfruit and Grape Growers Association	September 4, 2002
Ontario Egg Producers	August 23, 2002
Flowers Canada	August 27, 2002
Ontario Soybean Growers	August 29, 2002
Dairy Farmers of Ontario	September 5, 2002
Ontario Fruit and Vegetable Growers	August 23, 2002
Ontario Cattlemen	September 6, 2002
Ontario Pork	September 5, 2002

Grey County

Planner	August 16, 2002
Farm Leader	March 18, 2003
Farmer Leader	March 12, 2003
Farmer Leader	September 12, 2002

Niagara Region

Planner	August 29, 2002
Farm Leader	March 21, 2003
Farm Leader	March 26, 2003
Farm Leader	March 26, 2003
Farm Leader	August 23, 2003

Perth County

Planner	August 15, 2002
Farm Leader	August 12, 2002
Farm Leader	March 6, 2003
Farm Leader	March 12, 2003

Waterloo Region

Planner	August 22, 2002
Farm Leader	March 7, 2003
Farm Leader	September 4, 2002
Farm Leader	March 20, 2003