



Ontario Federation of Agriculture

Ontario AgriCentre

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Ms. Barb Alves
Senior Policy Adviser
Ministry of Agriculture, Food and Rural Affairs
Policy Division, Economic Development Policy Branch
1 Stone Road West, Floor 2
Guelph Ontario
N1G 4Y2

Dear Ms. Alves,

Re: EBR Registry 012-7458 Discussion Paper for Developing an Agriculture, Aquaculture and Food Processing Sector Strategy for Northern Ontario.

The Ontario Federation of Agriculture (OFA) is Canada's largest voluntary general farm organization, representing more than 36,000 family farm businesses across Ontario. These farm businesses form the backbone of our robust food system and rural communities with the potential to drive the Ontario economy forward.

The Discussion Paper for Developing an Agriculture, Aquaculture and Food Processing Sector Strategy for Northern Ontario proposes a number of initiatives to grow the agri-food sector in Northern Ontario. The following comments relate to the proposed actions outlined in the Discussion Paper.

In response to the questions provided:

1. What opportunities are there to grow the agriculture, aquaculture and food processing sector in the North?

There are approximately 700,000 acres of farmland in Northeastern Ontario. There is potential to double the amount of cropland being farmed in Ontario, with 16 million acres of potentially fertile glacio-lacustrine soils in the Great Clay Belt (GCB) of Northeastern Ontario. Only about 2% of this land is currently being farmed. The Canada Land Inventory has identified 4.4 million acres of Ontario's GCB as suitable for cultivation, with Class 2, 3 or 4 soil. The GCB accounts for 9.3% of Ontario's Class 2 Land, 50.4% of Ontario's Class 3 Land, and 67.8% of Ontario's Class 4 Land.

In some clusters in Northern Ontario, the agri-food sector is growing steadily and requires supportive infrastructure and enabling policies to continue the sustained growth. In other areas, there are opportunities for emerging industries to be promoted and supported in the earlier stages of development.

Opportunities exist to grow the agri-food sector in areas such as: livestock, niche markets, frost-hardy varieties, maple syrup, food processing facilities, the bioeconomy, attracting new and experienced farmers to the North, and innovative farming techniques such as row covers, cold frames, and precision agriculture technology.

2. Who is best positioned to develop these opportunities?

Organizations are already established in Northern Ontario providing services to farmers in an effective and innovative way. The Northern Ontario Farming Innovation Alliance (NOFIA) and the Northern Ontario Heritage Fund Corporation are both well-positioned to expand and enhance the quantity and quality of services they provide to the farming community.

In addition, OFA supports the importance of industry-led, government-enabled approaches. Farm and food processing businesses in Northern Ontario are experts about local conditions, and would be an invaluable resource to help grow the sector.

3. What are the advantages to growth of this sector?

The 2,600 farms in Northern Ontario generate \$192 million in annual farm cash receipts and support approximately 4,000 jobs. For every \$1.00 generated in farm revenue, \$1.30 is generated in additional farm-related sales. For every one of the 4,000 jobs in agriculture, an additional 1.3 to 2.1 are generated in the wider economy.

Investing in agriculture, agri-food processing and rural infrastructure provides countless benefits to the surrounding rural economy. The regional economies in the North would benefit from the increased diversification of the industry, while achieving social objectives such as increasing food security in some of Ontario most vulnerable rural communities, such as First Nations communities in remote areas.

The abundance of natural and human capital in Northern Ontario is an asset to the sustainable growth of the agri-food sector. With less urban pressure than southern Ontario, the North has a suitable land, soil classifications, and an appropriate climate to grow an abundance of agricultural products. The ambitious entrepreneurs in these rural communities are tackling challenging circumstances with innovative solutions, particularly related to the shorter growing season and climate variability. These innovative solutions can be marketed beyond Northern Ontario, provincially, nationally or even internationally if positioned effectively.

The historical and cultural significance of agriculture in the North enhances the sense of community. Although other natural resources such as forestry and mining play a large role in the economic and cultural identity of Northern Ontario, the agricultural base is an essential feature to reduce the dependence on industries subject to boom-bust cycles.

4. What are the barriers to the growth of this sector?

Although the opportunities and advantages of growing the agri-food sector in Northern Ontario are seemingly limitless, there are many challenges that will be faced by the industry as it attempts to expand. The ability to attract and retain a capable workforce will continue to pose a challenge for new and expanding agriculture and agri-food businesses, and the existing infrastructure is limited in its ability to sustain growth of the sector.

Farms in northern Ontario are challenged with attracting new farmers to the area, due to a lack of knowledge of agriculture and a tendency of farmers to “skip” generations. Newcomers and those migrating from other communities in Ontario recognize the risk associated with relocating to the North. While they may be able to afford and begin a farm business, the job opportunities for spouses and children off of the farm may be limited, or may be perceived as difficult to find.

The lack of infrastructure is inconvenient at the least and very costly in many situations. The lack of input suppliers, transportation infrastructure, and limited storage for grains or vegetables are just some of the challenges associated with farming in the North. The lack of on-farm housing facilities for livestock is another barrier, as it hinders farmers’ ability to winter livestock.

Related to infrastructure, the isolation and distance to markets can be an obstacle to profitability. However, this barrier also provides an opportunity to market to their local community and find innovative ways to support the entire value chain. For instance, food processors could work closely with local farmers to source their primary products, instead of sourcing in southern Ontario, Manitoba, or beyond. Adding value on-site will provide competitive advantage for those products in the lucrative southern Ontario and northern U.S. markets. The effect of supporting regional value chains is two-fold, keeping the profits within the local community while providing quality local products to Northern residents.

The lack of up-to-date, accurate, user-friendly soil maps is a significant challenge for farming in Northern Ontario. These maps are integral for smart agricultural development; maximizing the soil to produce quality products. Through a \$5.1 million soil mapping initiative, funded under Growing Forward 2, soil mapping of an area around Cochrane Ontario is underway. However, it is recognized that a long-term funding path is needed to continue and expand soil mapping work.

Tile drainage is a necessity for Northern agriculture. However, the high cost of installation is a barrier for farmers. Both the provincial Tile Loan Program and the Regional Tile Drainage/Land Clearing program funded through the Northern Ontario Heritage Fund Corporation (NOHFC) have been instrumental in assisting producers in the north to cover the high initial costs of tile drainage.

A lack of agricultural specialists in banking institutions in the North also causes challenges. The lower land values in the North leads to lower equity for farm operations to use as collateral. The limited access to farm financing hinders expansion of housing facilities, machinery, and tiling. Foreign investment can be considered a barrier and an opportunity; it results in the availability of farmland, but deters investment in the land.

There are concerns around sustainable development in Northern Ontario, and how to manage smart growth. Environmental considerations must be incorporated into the expansion of the agri-food sector, to balance the economic, environmental and social aspects of sustainability.

Climate variability can result in shorter or longer growing seasons, risk of frosts, and potentially limit crop choices. Agricultural research institutions in Northern Ontario are key factors in providing data on the implications of these climate patterns and how it will affect the growth of the industry. Evidence-based research reduces the risk associated with farming in Northern Ontario, which will increase the number of farmers as well as their willingness to expand their operations. Sustained government support for the advancement of agricultural research and innovation in Northern Ontario is needed. Collaboration among OMAFRA, University of Guelph, Northern Ontario Farming Innovation Alliance and agricultural producers in Northern Ontario could yield a new model for agricultural research.

Although internet availability has expanded in Northern Ontario, there are still limitations related to access, and familiarity with, computers and the internet. Expanding broadband internet in the North will improve the business climate for the agri-food sector, particularly for expansion into the global marketplace.

5. What actions does industry need to take to drive growth while ensuring it happens in a sustainable manner (e.g. social and environmentally responsible)?

Environmental Farm Plans (EFPs) have been completed by Ontario farmers for 25 years, and are assessments to increase environmental awareness on-farm. A new initiative in development, Sustainable Farm and Food Plans, looks to expand the scope of the EFP into whole-farm sustainability, which will address all three pillars of sustainability: social, economic and environmental. Promoting Sustainable Farm and Food Plans in Northern Ontario would be a valuable first step toward sustainable expansion and growth.

In addition to sustainability on the farm, farm businesses can work with municipal governments to ensure their business practices are aligned with planning and economic development departments. Growth of the sector requires smart planning, and growing the cluster to enhance regional and local value chains. Urban development should be conducted in a responsible manner, while providing farmers with the space and infrastructure required to be financially viable.

6. What can industry and government do to support growth opportunities that meet the objectives of the Sector Strategy?

The agri-food sector should continue to work closely with OMAFRA, MNRF and MNDM to ensure their services and funding programs are aligned with the needs of the agriculture community. Support should be allocated to the following areas:

a. Publicly release user-friendly soil and land accessibility maps

The public availability of soil and land accessibility maps would improve the efficiency and efficacy of agricultural growth and development. The Sector Strategy should commit to the development of Northern Ontario maps that detail soil classifications, and distinguish between lands that are owned by the Crown from privately-owned lands. In addition, there are opportunities to overlay mining plans and forestry management maps already in existence, and including First Nations and urban boundaries. The overlay of soil and land maps would lead to

informed land use planning that takes into account several environmental and social factors, and supports evidence-based decision-making.

b. Make Crown land available to farmers

More than 95% of land in Northern Ontario is Crown land. Making Crown land available for farmers to purchase or lease, at market value, without rules requiring contiguous plots of land, would support the expansion of farm businesses and enable young and beginning farmers to establish farms.

The Ministry of Natural Resources and Forestry should take into account the socio-economic benefits of allowing farming on Crown land, including the return on investment through taxation. This collateral will also help farmers to guarantee loans, enhancing the viability of farming. It is important to recognize that farmers are stewards of the land, and will mitigate negative environmental and ecological impacts while providing environmental benefits to Crown land.

c. Support development of a new model for agricultural research in Northern Ontario

Ongoing research and development is essential to agricultural growth, particularly in northern Ontario where considerable possibilities exist for new crop varieties due to changing climate and advanced technology. The Northern Ontario Farming Innovation Alliance (NOFIA) is a strong collaboration between farmers and government, which is well positioned to ensure the advancement of agricultural research and innovation in Northern Ontario. The Sector Strategy should outline a process for developing a new model for agricultural research that OMAFRA, University of Guelph, NOFIA, and agricultural producers in Northern Ontario can contribute to.

d. Sustain adequate funding for the Northern Ontario Heritage Fund Corporation (NOHFC)

As acknowledged in the Discussion Paper, NOHFC funding programs have a considerable impact on agricultural projects. The current suite of NOHFC programs commenced in October 2013. Since then, 42 agriculture projects have been approved for either start up or expansion. Investment of both loan and grant streams totaled \$10.5 million.

In addition, \$16.5 million in grants have been approved for tile drainage and/or land clearing at \$500 per acre. The bulk of this program has been allocated to tile drainage, which would amount to approximately 30,000 acres to date. We can reasonably expect tile drainage to improve an acre of land's production by \$300 annually, within 2 to 3 years. The increase in production would translate to \$9 million in new annual income to the agriculture sector. The NOHFC has a proven track record of supporting agriculture in the community. Sustain funding for the NOHFC would be an excellent return on investment for agriculture-related projects.

e. Increase funding for Northern infrastructure projects

While infrastructure is identified as one of the six priorities in the 2011 Northern Ontario Growth Plan, it is not explicitly identified as a priority in the Discussion Paper. The Sector Strategy should commit to increased funding for northern infrastructure projects that will enable the expansion of agricultural production.

f. Sustain the number of Agriculture Development Advisors in Northern Ontario

As there is a large expanse of land to cover and a shortage of private consultants in Northern Ontario, the OMAFRA Agricultural Development Advisors play a critical role in supporting the agri-food sector.

g. Keep the municipal Tile Loan Program intact

The single greatest agricultural advancement in the North is systematic tile drainage, which allows farmers to control the level of groundwater in the fields. This extends the growing season and greatly increases the crop yield. Both the provincial Tile Loan Program and the Regional Tile Drainage/Land Clearing program funded through the Northern Ontario Heritage Fund Corporation (NOHFC) have been instrumental in assisting producers in the north to cover the high initial costs of tile drainage.

As extreme precipitation events become more frequent, tile drainage of farmland will become a necessity to control groundwater in the fields and increase crop yields. To ensure that farmers have the ability to proactively reduce risk and enhance productivity, the Ontario government must keep the Tile Loan Program intact.

h. Invest in Northern Ontario's broadband network to ensure access to reliable broadband services

Although internet availability has expanded in Northern Ontario, there are still considerable limitations in availability and reliability. Expanding access to reliable broadband services with a guaranteed minimum service quality from Internet Service Providers will improve the agri-food business climate, particularly for expansion into the global marketplace.

OFA appreciates this opportunity to comment on the Discussion Paper for Developing an Agriculture, Aquaculture and Food Processing Sector Strategy for Northern Ontario. Agriculture has the ability to strengthen and unify a community, as the third leg of the economic stool.

We look forward to continuing to work with OMAFRA and its partner ministries to develop a Sector Strategy that benefits Northern Ontario and the broader Ontario agriculture, aquaculture, and agri-food sector.

Sincerely,



Don McCabe,
President