



Ontario Federation of Agriculture

Ontario AgriCentre

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Pre-Budget Consultation Presentation to the

Standing Committee on Finance and Economic Affairs

Kitchener-Waterloo

January 18, 2017

Thank you for the opportunity to present today. I am Keith Currie, President of the Ontario Federation of Agriculture (OFA).

The OFA represents and advocates for Ontario farmers. We have over 37,000 farm family members who live and operate their businesses across rural Ontario. We actively promote the business of farming and seek policies and programs to help our farms flourish.

OFA has recognized that, increasingly, the state of our rural communities significantly affects the well-being of our families and the strength and viability of our businesses.

When our local schools close it affects our families. When we cannot access information, or conduct business over the internet it affects our children's ability to excel at school and our abilities to grow our businesses.

When health care is not readily available it affects our quality of life and our businesses. When our energy bills are 30 to 100 percent higher than they would be if we had access to natural gas, it affects our competitiveness and the sustainability of our communities.

Ladies and gentlemen, these issues are real and are seriously impeding the ability of our rural communities to optimize our contribution to the Ontario economy.

But, ladies and gentlemen, these issues can be addressed in a way that will help all of Ontario grow and prosper.

That is why the Ontario Federation of Agriculture has launched our Producing Prosperity in Ontario campaign – a campaign to secure a policy of distributed economic development through prudent public investment.

OFA is urging the government of Ontario, in its next budget, to invest in rural Ontario to jump-start farming and rural Ontario growth. This will, in turn, stimulate the entire Ontario economy. Dr. David Freshwater recently addressed delegates to our Annual General Meeting and noted that: "if some regions are not performing at a high level, investing in raising their performance can provide a higher rate of return to society than simply abandoning these places."

Much of rural Ontario is feeling abandoned.

However, the recent Barton Report to the federal government highlighted agriculture and agri-food as an important and viable growth sector.

In addition to agri-food growth, our rural municipalities are eager to repair roads and bridges, have access to reliable broadband, install natural gas pipelines and attract new businesses. But to do so we require a concerted effort on the part of business, and governments. The Barton report provides the general outline for growth, but we need to collectively focus efforts in the right direction.

Distributing economic development across the province will provide a higher rate of return than the status quo.

A recent report prepared for the Broadbent Institute by the Centre for Spatial Economics (C4SE) indicates that “the benefits from public infrastructure extend beyond direct impact, with public capital promoting economic growth and productivity. A highway, for example, allows trucks to transport goods in less time than if they used slower, local roads. This reduces shipping costs, helping private companies produce their products at a lower cost.” The same could be said of the information highway.

The study concludes that the benefits of a public infrastructure spending program include:

- GDP rises \$1.43 per dollar of spending, in the short term
- 9.4 jobs are generated per million dollars spent, and 44 cents of each dollar spent by government is recovered in new tax revenue.
- The GDP “return on investment” lies between \$2.46 and \$3.83
- Private-sector investment **rises** by as much as \$0.34 per dollar spent in the short term, and by up to \$1.00 per dollar spent in the long run.
- Businesses are more productive and competitive in international markets; and
- Real wages rise, providing a higher standard of living for Canadians.

As you can see this is not only for the benefit of our farms and rural communities. But even further, OFA submits that a real program of distributed economic development is the only long-term solution to relieving the GTHA transportation crisis and the pressure on the urban housing market.

Strengthened rural communities with new economic opportunities for families will help distribute population growth and alleviate the GTHA infrastructure crisis.

Infrastructure investments like widespread broadband, access to affordable energy with natural gas and increased social infrastructure including local schools and medical care will attract new business and the new jobs will attract new residents.

OFA and our partners across agriculture are looking for these investments in the upcoming provincial budget to address fundamental rural and urban concerns rather than just applying more band-aids to GTHA problems. With the proper investments, our rural communities could relieve the strain on the GTHA housing market and offer less painful long-term economic growth.



OFA strongly recommends the Ontario government work with municipalities across rural Ontario to develop and adopt a cost-effective infrastructure program (roads, bridges, drainage, and broadband) and provide funding to rural municipalities to implement the program.

We believe it is time to adopt a new approach; and that approach is a concerted effort to boost our rural economy through a planned program of distributed economic development. Economic growth throughout Ontario, including small-town Ontario will increase government tax revenue, reduce government dependency, and benefit ALL Ontarians – not just those living in rural areas.

OFA and our farm business members and associated organizations are prepared to work closely with the Ontario government to deliver these necessary investments and programs for the benefit of Ontario's economy and all its citizens.