

April 25, 2024

Karla Uliana, Senior Policy Advisor
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Submitted via email to ruralplan@ontario.ca.

Dear Ms. Uliana,

RE: Rural Economic Development Strategy consultation

On behalf of the Ontario Federation of Agriculture (OFA), thank you for the opportunity to provide input into the Rural Economic Development Strategy being undertaken by the Ontario Ministry of Agriculture, Food and Rural Affairs. OFA is pleased to see recognition of the untapped economic opportunities available in Ontario's rural areas. Our topline feedback is summarized below:

Strong Rural Economies

- OFA urges the provincial government to preserve farmland as an economic growth strategy by recognizing the untapped economic potential of growing farm businesses that form the backbone of the rural economy.
- OFA believes that rural and urban communities should work together to leverage their assets and promote their area as an agri-food hub to attract new businesses and grow existing ones.
- OFA believes that all levels of government should provide funding for business diversification and expansion along the local agri-food value chain and encourage business-to-business networking.
- OFA encourages the provincial government to restore OMAFRA staff to full capacity in the Community Economic Development unit so they can continue their integral work supporting rural economic development across Ontario.
- OFA also encourages the provincial government to increase the funding envelope for the Rural Economic Development program. These projects are critical to supporting small rural areas that are working to enhance the vibrancy and economic vitality of their communities.

Business Development

- OFA believes the Ontario government should continue to expand affordable, reliable broadband internet to all rural and underserved areas across Ontario.
- OFA believes the Ontario government should fund projects that support utilization of online platforms that can expand market access for agri-food businesses to more Ontarians.
- OFA would like to see additional financial and resource support for agricultural businesses undergoing transition and succession planning.
- OFA urges the Ontario government to continue to protect farmland while supporting the agri-food businesses that are growing and feeding our communities and strengthening the Ontario economy.
- OFA encourages the Ontario government to continue to fund innovation, diversification, and market development in the agri-food sector.
- OFA believes that supporting businesses along the agri-food value chain within the agri-food network will enable businesses to thrive and grow and attract new investment to both our rural and urban communities. Business attraction should also be done strategically using smart land use planning targeting investment-ready sites.
- OFA believes that the province of Ontario and its rural communities should be marketed as an agri-food cluster to attract new businesses to our communities.
- OFA asserts that affordable natural gas, high-speed broadband internet and well-maintained bridges and road infrastructure are essential to economic growth in rural areas.
- OFA recommends targeted support for agritourism, ecotourism and culinary tourism businesses seeking assistance to expand and diversify their offerings.

Workforce

- While OFA encourages resident attraction to focus on skill sets in the agri-food sector, we also require a workforce with skills and talents that ensure services are available for rural residents, including medicine, education, technology, innovation, and skilled trades.
- OFA believes that connecting prospective employees to agricultural and manufacturing employers (e.g. Manufacturing Day and agriculture education days) are crucial to fill local labour gaps and ensure a robust agri-food labour pool in rural Ontario.
- OFA believes that complete communities, with attainable housing, schools, education, childcare, quality job opportunities, and a strong local food sector will ensure that rural Ontario can attract the best and brightest into their communities.
- OFA emphasizes that agricultural jobs are available through many different career paths, including communications, science, health, technology, and more. OFA believes that AgScape should be supported for their ongoing commitment to promote opportunities for careers in agriculture within schools.
- OFA would like ongoing support from municipalities and other levels of government to ensure the labour pool considers agri-food as a viable and desirable career path.

OFA is the largest general farm organization in Ontario, proudly representing more than 38,000 farm family members. OFA has a strong voice for our members and the agri-food industry on issues, legislation and regulations administered by all levels of government. We are passionate and dedicated to ensuring that the agri-food sector and rural communities are considered and consulted with for any new or changing legislation that would impact the sustainability and growth of our farm businesses.

Ontario's agri-food sector is an economic powerhouse – producing more than 200 farm and food products, fuelling rural communities, generating nearly 750,000 jobs, and contributing more than \$47 billion to Ontario's annual GDP. The province's agri-food strategy, Grow Ontario, aims to strengthen the agri-food sector, support economic growth, and ensure an efficient, reliable, and responsible food supply. By removing barriers, unnecessary costs and red tape, Ontario farmers will be positioned to seize opportunities and rise to the challenge of an ambitious growth strategy, allowing the agri-food sector to continue to drive the economy forward. OFA believes that the agri-food sector forms the backbone of our rural economies and can be the solution to the economic, social, and environmental challenges facing Ontario today.

The Rural Economic Development Strategy consultations have outlined three pillars that are essential for achieving Ontario's objectives: strong rural economies, business development, and workforce. The discussion questions below were provided during consultations and assist OFA in outlining key considerations when developing Ontario's first Rural Economic Development Strategy.

Strong Rural Economies

1. What strengths or assets in your community (or rural Ontario) can be leveraged for future economic growth?

Rural communities are made up of agricultural businesses all along the value chain that comprise the broader agri-food network. Preserving agricultural land ensures farms can continue to grow their businesses and expand agri-food products to drive economic growth and to feed Ontario and beyond.

OFA would like to restate its longstanding perspective that there is only one Ontario landscape, meaning that the full range of landforms and land uses found across Ontario; urban, rural, agricultural, natural heritage, wildlife habitats, cultural heritage, aggregate extraction, etc. must share this one landscape. Inherent in this is the recognition that our agricultural areas not only provide us with food, fibre, and fuel, but also a broad range of environmental and ecological goods and services that benefit all Ontarians.

OFA urges the provincial government to preserve farmland as an economic growth strategy by recognizing the untapped economic potential of growing farm businesses that form the backbone of the rural economy.

2. What opportunities are there to work with neighbouring rural and urban communities and economic development partners to increase economic impact?

The agriculture, food and beverage sector is uniquely positioned to bridge connections between rural and urban Ontarians. Farms in rural communities are places to showcase where local food

and produce is grown, provide natural environments for recreational activities, provide opportunities to obtain fresh, local agricultural products, and enable food and beverage processing facilities to obtain local agricultural inputs to use in their products. OFA believes that rural and urban communities should work together to leverage their assets and promote their area as an agri-food hub to attract new businesses and grow existing ones.

3. Have there been transitions in your local community or local economy over the last few years that can be further leveraged for growth?

While the pandemic resulted in significant hardships for the business community, it also necessitated and spurred innovation in many sectors, including agri-food. The rise of online platforms and the increasing comfort level of consumers to order directly from suppliers spurs a unique opportunity for agriculture, food, and beverage businesses. Consumers demand new and innovative products in the agri-food sector and Ontario businesses are exploring new opportunities to respond to burgeoning market trends.

4. What innovative ideas are there to support the revitalization and vibrancy of rural downtowns?

Rural downtowns are excellent places to obtain local artisan products and support local businesses. OFA believes that all levels of government should provide funding for business diversification and expansion along the local agri-food value chain and encourage business-to-business networking.

5. How can we work together to strengthen economic development capacity of rural and Indigenous communities?

Smaller, rural municipalities have limited capacity to support rural economic development initiatives. There is often not enough staff in small communities to focus on these initiatives which results in disproportionate support in urban communities.

OFA reiterates its concerns expressed in a 2019 letter to Premier Doug Ford about the ongoing loss of OMAFRA extension staff and the negative effect on rural and agricultural communities. Economic and Business Advisors at OMAFRA provide a critical role in supporting municipalities and communities with less capacity. OFA works closely with OMAFRA'S Economic and Business Advisors and we see firsthand the impact that they have on our communities and the detrimental effect when their position is not replaced when they leave the position or retire. OFA encourages the provincial government to restore OMAFRA staff to full capacity in the Community Economic Development unit so they can continue their integral work supporting rural economic development across Ontario.

OFA encourages the provincial government to increase the funding envelope for the Rural Economic Development (RED) program. These projects are critical to supporting small rural areas that are working to enhance the vibrancy and economic vitality of their communities. While OFA recognizes that the RED program is targeted at rural municipalities and organizations, some exceptional rural and agricultural projects are initiated by larger urban areas. Effort should be made to be more inclusive of communities with larger populations if the project is aimed at enhancing rural economic development.

Business Development

1. How can communities, government and economic development partners work together to better leverage technology to expand and enhance business opportunities?

OFA believes the Ontario government should continue to expand affordable, reliable broadband internet to all rural and underserved areas across Ontario. OFA also believes that the Ontario government should fund projects that support utilization of online platforms that can expand market access for agri-food businesses to more Ontarians.

2. How can communities work with local businesses to better prepare for business succession?

Farm succession and transition is a considerable challenge in the agricultural industry where the average farm operator is 57 years old. OFA would like to see additional financial and resource support for agricultural businesses undergoing transition and succession planning.

3. How can communities work with local businesses to meet demands of recent and forecasted population growth?

Population growth puts significant pressures on Ontario's finite supply of agricultural land. The Ontario agri-food sector can continue to grow and feed Ontario's growing population but requires support and recognition that farmland is essential for farm businesses and must be protected to achieve goals outlined in the Grow Ontario strategy. OFA urges the Ontario government to continue to protect farmland while supporting the agri-food businesses that are growing and feeding our communities and strengthening the Ontario economy.

4. How can communities, government and other economic development partners advance a culture of entrepreneurship and innovation in rural Ontario?

Ontario farmers are entrepreneurs that are always innovating and exploring new ideas for business growth and diversification. OFA encourages the Ontario government to continue to fund innovation, diversification, and market development in the agri-food sector.

5. How do we make rural Ontario the destination of choice for investors to do business?

The agri-food sector is the backbone of rural economies with significant linkages to urban communities throughout the value chain. New businesses will invest in communities that value the business ecosystem and ensure that all inputs and services are available to prospective businesses. OFA believes that supporting businesses along the agri-food value chain within the agri-food network will enable businesses to thrive and grow and to attract new investment to both our rural and urban communities. Business attraction should also be done strategically using smart land use planning targeting investment-ready sites.

6. What opportunities do you see to grow local businesses or attract new businesses for the future?

Ontario's agriculture, food and beverage sector is resilient, thriving and poised for growth. In December 2023, OFA undertook a Farm Business Confidence Survey with responses from 832

members. When asked to select all policy priorities that would be most helpful for their farm business or commodity sector, the top 10 of the 17 options were:

1. Reducing farm taxes (71.6%)
2. Support for farmers with energy costs (59.8%)
3. Encouraging Ontarians to buy local food (45.5%)
4. Improving rural healthcare (41.1%)
5. Investments in rural roads and bridges (39.5%)
6. Expanding natural gas access to rural Ontario (39.1%)
7. Accelerating rural access to high-speed broadband internet (38.6%)
8. Support farmers with climate change adaptation (35.2%)
9. Funding for farmers to adopt clean technology (34.3%)
10. Support farmers with succession planning (31.7%)

These responses align with OFA's ongoing priorities for continued productivity and sustainability of the agricultural sector and reflect many of the broader needs of all businesses poised for growth in rural Ontario.

OFA believes that the province of Ontario and its rural communities should be marketed as an agri-food cluster to attract new businesses to our communities. Prospective investors in the agri-food sector seek the infrastructure necessary for their business operations to thrive and expand. Physical infrastructure such as affordable energy sources, high-speed internet, and transportation infrastructure are all crucial for the attraction of new investment in rural communities. OFA asserts that affordable natural gas, high-speed broadband internet and well-maintained bridges and road infrastructure are essential to economic growth in rural areas.

Rural businesses, especially those near urban centres, are uniquely poised to attract tourists to their communities for agritourism, ecotourism and culinary tourism. OFA recommends targeted support for agritourism, ecotourism and culinary tourism businesses seeking assistance to expand and diversify their offerings.

Workforce

1. How can communities capitalize on the skills and talents from in-migration of new residents?

Resident attraction is a key initiative to maintaining the vitality of rural communities. While OFA encourages resident attraction to focus on skill sets in the agri-food sector, we also require a workforce with skills and talents that ensure services are available for rural residents, including medicine, education, technology, innovation, and skilled trades, to name a few.

2. What opportunities are there to strengthen connections between schools, post-secondary institutions, and local businesses in your community to meet workforce needs?

Workforce planning boards across Ontario focus on regional economies by linking the labour pool with the education and skills needed to fill vacancies in the regional labour pool. OFA believes that connecting prospective employees to agricultural and manufacturing employers (e.g. Manufacturing Day and agriculture education days) are crucial to fill local labour gaps and ensure a robust agri-food labour pool in rural Ontario.

3. How can we build communities that are welcoming and attractive to newcomers: young adults? People who grew up in your area? Working age residents / families? Seniors?

Resident attraction requires communities that have all the amenities and services that make a community appealing. OFA believes that complete communities with attainable housing, schools, education, childcare, quality job opportunities, and a strong local food sector will ensure that rural Ontario can attract the best and brightest into their communities.

4. What skills gaps are local businesses facing? What partnerships or innovative ideas could be tapped into to address these gaps?

Local agri-food businesses are facing many challenges when it comes to labour. For entry-level positions, agricultural businesses are looking for strong work ethic and reliability and are willing to train and upskill employees that are committed. The agricultural labour force is also changing to demand more skills in technology and automation. OFA asserts that agricultural jobs are available through many different career paths, including communications, science, health, technology, and more. OFA believes that AgScape should be supported for their ongoing commitment to promote opportunities for careers in agriculture within schools.

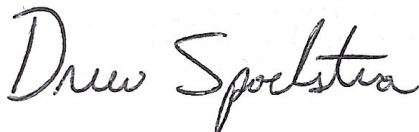
5. How can communities and partners support small businesses in their workforce recruitment and retention efforts?

The agri-food sector employs over 10% of the province's workforce. Ontario agri-food continues to be a leader in food production and employment and should be a main consideration when looking to attract and retain workers in rural communities.

The agricultural sector relies heavily on word of mouth to promote job vacancies. OFA would like to see ongoing support from municipalities and other levels of government to ensure the labour pool is considering agri-food as a viable and desirable career path for their future.

OFA is pleased to provide our comments on the development of a Rural Economic Development Strategy for Ontario. We look forward to learning about initiatives that unlock the untapped potential of the agri-food sector across rural Ontario.

Sincerely,



Drew Spoelstra
President

cc: The Honourable Lisa Thompson, Minister of Agriculture, Food and Rural Affairs
OFA Board of Directors