

May 22, 2026

Farm Finance Branch Ministry of Agriculture, Food and Agribusiness
1 Stone Road West
Guelph, ON
N1G 4Y2

Submitted via the Ontario Regulatory Registry

To OMAFA's Farm Finance Branch,

Re: Ontario Regulatory Registry Proposal Number: 26-OMAFRA007 Farmland Security Act: a legislative framework to restrict foreign acquisition of Ontario farmland

On behalf of our more than 38,000 farm family members, the Ontario Federation of Agriculture (OFA) appreciates the opportunity to provide a rural and agricultural perspective on the proposed *Farmland Security Act, 2026*, introduced under Bill 109, *Protecting Ontario's Food Independence Act, 2026*, which would enable the province to restrict non-Canadians and non-permanent residents from acquiring farmland in Ontario. OFA is pleased OMAFA is seeking stakeholder input regarding implementation considerations to support the development of a future regulatory proposal.

OFA's Key Recommendations

As the government develops the regulatory framework for the *Farmland Security Act*, OFA recommends that the regulations include:

- **Clear guidelines and timelines for evaluating applications under the Ministerial permission pathway so the process does not create uncertainty that deters productive investment;**
- **Exemptions for foreign-born individuals who intend to reside in Ontario and actively farm;**
- **Explicitly recognize both legal and beneficial ownership when defining restricted entities in the regulations, ensuring that legitimate farm operators are not penalized; and**
- **Ensure the conveyance reporting requirements do not create new red tape for Ontario farmers.**

Balancing farmland preservation and agricultural investment

New Canadians, recent and from past generations, have contributed significantly to building Ontario's agriculture sector, by bring their knowledge, skills, innovation, and a strong work ethic to rural communities across the province. Agriculture continues to provide meaningful pathways to employment, entrepreneurship, and community integration for immigrants seeking to establish new lives in Ontario. As the sector continues to face labour shortages and growing demand, we want to continue welcoming new Canadians and creating opportunities for them to contribute their talents, experience, and perspectives to Ontario's agricultural future.

Soaring farmland costs pose a significant barrier for new, young, and expanding farmers. In a recent survey, over 80% of OFA members indicated the price of farmland was too high given the income generated from farming it. For farmers under the age of 35, 100% of respondents told us the price of farmland was too high relative to farm income.

OFA believes the *Protecting Ontario's Food Independence Act, 2026* can work to partly address soaring farmland costs by restricting international investors from making future speculative investments in Ontario farmland. Although past records indicate low levels of foreign purchases of farmland, this legislation could prevent a future surge in farmland purchases by foreign speculators. According to Ontario Land Transfer Tax information, only 147 farm property transactions in 2018 and just 138 in 2019 involved a foreign purchaser.

Agriculture is a highly capital-intensive industry. As we look at ways to curb speculative purchases of farmland, we must be careful not to implement blunt policies that inadvertently choke off the vital investment needed to modernize and grow Ontario's agri-food sector.

The Proposed Act's Design and the Reality of Modern Farm Structures

OFA is encouraged that the proposed *Farmland Security Act* includes a Ministerial permission pathway, allowing restricted persons or entities to apply for permission to acquire farmland rather than imposing an absolute ban. This screening approach is consistent with the models used in Quebec and New Zealand, both of which have successfully attempted to remove speculative purchases while allowing productive agricultural investment to proceed. For example, Quebec utilizes the *Commission de protection du territoire agricole du Québec* (CPTAQ) to review non-resident applications, while New Zealand requires foreign buyers to pass a strict "benefit to New Zealand" test through its Overseas Investment Office.

Furthermore, empirical research on North American ownership restrictions, such as Lawley's (2018) analysis of Saskatchewan's similar legislation, demonstrates that while restricting outside capital can reduce long-term increases in farmland prices, it does not crash farmland values. Importantly, historical data shows that as long as domestic Canadian investment and genuine

agricultural capital are not blocked, regulating foreign ownership does not significantly deter the productivity or growth of the sector.

How the government defines a "designated person" "non-Canadians" and "non-permanent residents" will be key to appropriately accommodating modern corporate farm structures.

Approximately 25% of all farm businesses in Ontario are incorporated. As more farm families plan for the next generation, they are executing complex succession plans that frequently use multi-layered corporate structures, for example, an operating farm corporation that owns the shares of a separate corporation that holds the actual farmland.

Ontario farmers have already seen how rigid definitions surrounding ownership of farm assets can unintentionally punish family farms. Under the existing Farm Property Class Tax Rate Program, farmland is only eligible for the agricultural tax rate if at least 50% of the owning corporation's shares are held by Canadian citizens. If an Ontario farm family uses a tiered corporate structure, they are denied access to the Farm Property Class Tax Rate Program. The Ministry of Finance's rationale is that the parent corporation owning the land-holding company is not a human "Canadian citizen", even though the actual people who own and control the entire operation are multi-generational Ontario farmers.

OFA's long-standing position is that the business structure a farmer chooses should not impact their eligibility for critical agricultural programs.

To prevent this, OFA strongly encourages the government to ensure that beneficial ownership is explicitly recognized in the Act's regulations alongside legal ownership. It is critical that any definitions and rules surrounding ownership of farmland held in a corporate structure look through the corporate layers to the actual individuals who ultimately own and control the business. If the owners of the entity are Canadian citizens or permanent residents, they should be treated as any individual Canadian citizen or permanent resident. The Act's definitions must be carefully crafted to capture genuine foreign speculative purchases without inadvertently restricting legitimate Ontario farm operators.

While OFA understands the need to provide compliance information at the time of purchase, we urge the government to ensure the conveyance reporting rules do not create new red tape for Ontario farmers. The regulations prescribing this information must be simple and transparent. The government should avoid imposing complex administrative hurdles on routine transfers of farmland to domestic farm operations.

OFA appreciates the opportunity to provide our perspective and looks forward to working with OMAFA to develop policy solutions that support the long-term sustainability of the agri-food sector.

Sincerely,

Drew Spoelstra

Drew Spoelstra
President

cc: OFA Board of Directors
The Honourable Trevor Jones, Minister of Agriculture, Food and Agribusiness

This submission has been approved by OFA Board of Directors and will be posted to OFA's website: <https://ofa.on.ca/resources>