



SCHOOL OF  
**ENVIRONMENTAL DESIGN  
AND RURAL DEVELOPMENT**



Ministry of  
Agriculture, Food &  
Rural Affairs



## From Wineries to Wedding Barns:

On-Farm Diversification Planning Policies and Practices to Support Agricultural Viability, Farmland Preservation, and Rural Economic Development



**CANADIAN INSTITUTE OF PLANNERS  
NATIONAL CONFERENCE**

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# OUTLINE



1. Context for the Research
2. Research Problem and Objectives
3. Methods
4. Results
5. Site Visit: Example of Successful OFDU & Best Practices
6. Key Overarching Research Findings
7. Recommendations
8. Next Steps
9. Questions and Discussion

# CONTEXT

## Farmland Preservation in Ontario, Canada

- **Less than 5%** of Canada's land base is made up of prime agricultural land
- **Over half** of Class 1 soils in Canada are located in Ontario
- Between 2016 - 2021, Ontario **loses 319 acres of farmland** a day (Statistics Canada, 2021).
  
- Of the **48,000** farms in Ontario, **98%** of them are family-owned
- The numbers of **small and medium-sized farms are decreasing** while the number of large farms is increasing
  
- It is not enough to preserve farmland – society must also preserve the farmer.

# POLICY CONTEXT

## Ontario Planning Policy

Ontario 

[ontario.ca/PPS](https://ontario.ca/PPS)

# Provincial Policy Statement, 2020

Under the *Planning Act*

- **Prime agricultural area:** areas where prime agricultural lands predominate (CLI classes 1-7 and specialty crop) and additional areas where there is a local concentration of farms which exhibit characteristics of ongoing agriculture.
- In prime agricultural areas, permitted uses and activities are: agricultural uses, agriculture-related uses and **on-farm diversified uses**.
- Proposed agriculture-related uses and on-farm diversified uses **shall be compatible** with, and **shall not hinder**, surrounding agricultural operations
- PPS (2020) and the OMAFRA Guidelines on Permitted Uses in Prime Agricultural Areas (2016) **provide criteria** for *on-farm diversified uses* (OFDUs) in *prime agricultural areas*

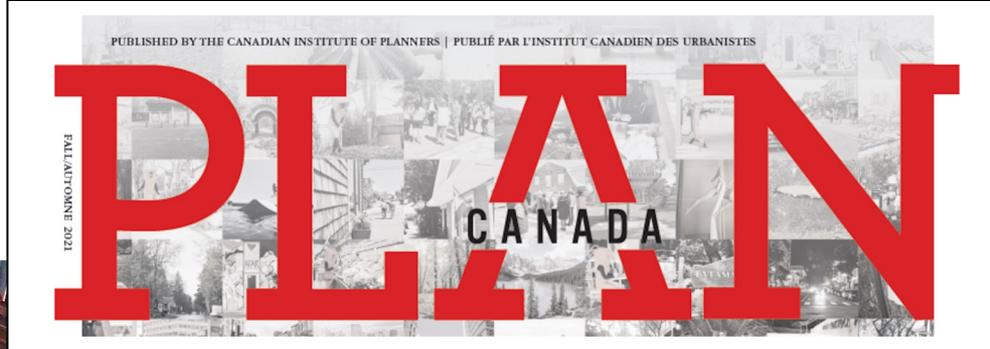
# POLICY CONTEXT

## On-Farm Diversified Uses

in Ontario's Prime  
Agricultural Areas

Publication 851

- **On-farm diversified uses:** uses that are secondary to the principal agricultural use of the property, and are limited in area. On-farm diversified uses include, but are not limited to, home occupations, home industries, agri-tourism uses, and uses that produce value-added agricultural products.
  
- **On-farm diversified uses must meet the following five criteria:**
  - 1) Located on a farm
  - 2) Secondary to the principal agricultural use of the property
  - 3) Limited in area (2% of a farm parcel to a maximum of 1 ha)
  - 4) Includes, but is not limited to, home occupations, home industries, agri-tourism uses and uses that produce value-added agricultural products
  - 5) Shall be compatible with, and shall not hinder, surrounding agricultural operations



**WALTERS DINNER THEATRE,**  
**Oxford County**



**CIRCUS IN THE TREES,**  
**Norfolk County**



**WINDMILL LAKE WAKE & ECO-PARK,**  
**Huron County**



## RESEARCH PROBLEM

- On-farm diversification can have many benefits, but ensuring a **balance between farmland preservation, agricultural viability, and economic development** is key
- Challenges: size, scale, compatibility with surrounding farms, maintaining character of a farm, cumulative effects, and more
- Municipalities are tasked with implementing the OMAFRA Guidelines into **local policy**
- Assess the **benefits and costs** of policy for farmers and municipalities
- Identify and evaluate **best practices** for planners to achieve policy objectives for OFDUs and **identify policy barriers** that limit the establishment or expansion of OFDU activity.

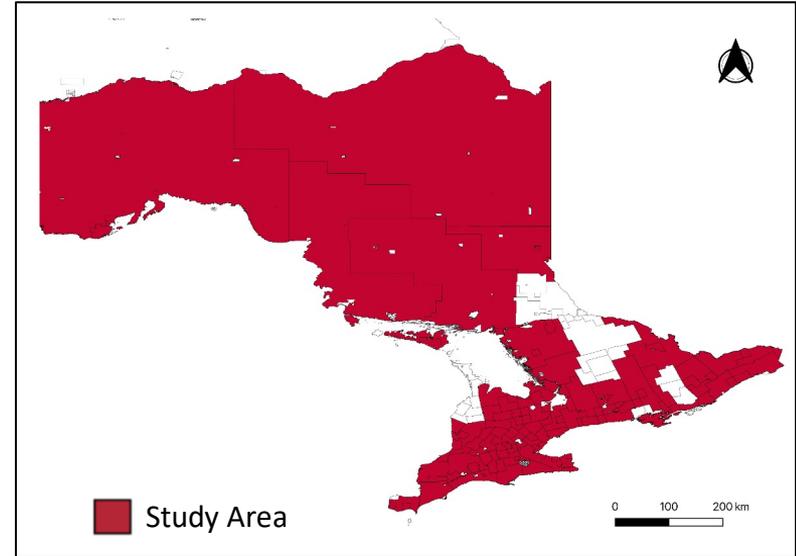


## RESEARCH OBJECTIVES

1. To **evaluate the effectiveness of policy** that allows for agriculture-related and OFDUs within Ontario (at individual farm, municipal, and provincial levels).
2. To **identify existing policies and strategies** used to encourage agriculture-related and OFDUs (at a County and Regional level).
3. To evaluate the specific **policy effects on farmers**.
4. To **identify best practices** for policy and strategies for agriculture-related and OFDUs based on evidence collected (evidence-based policy for municipalities, the Province, and agriculture).

# METHODS

- **Survey** to municipal planning departments and farmers
  - **37** upper/single-tier municipalities & planning boards
  - **146** farmers
- **Interviews** with planners (**31**) and farmers (**40**)
- **3 Focus groups** with provincial/municipal planners and farmers



# SURVEY RESULTS

## Profile of Municipal Sample

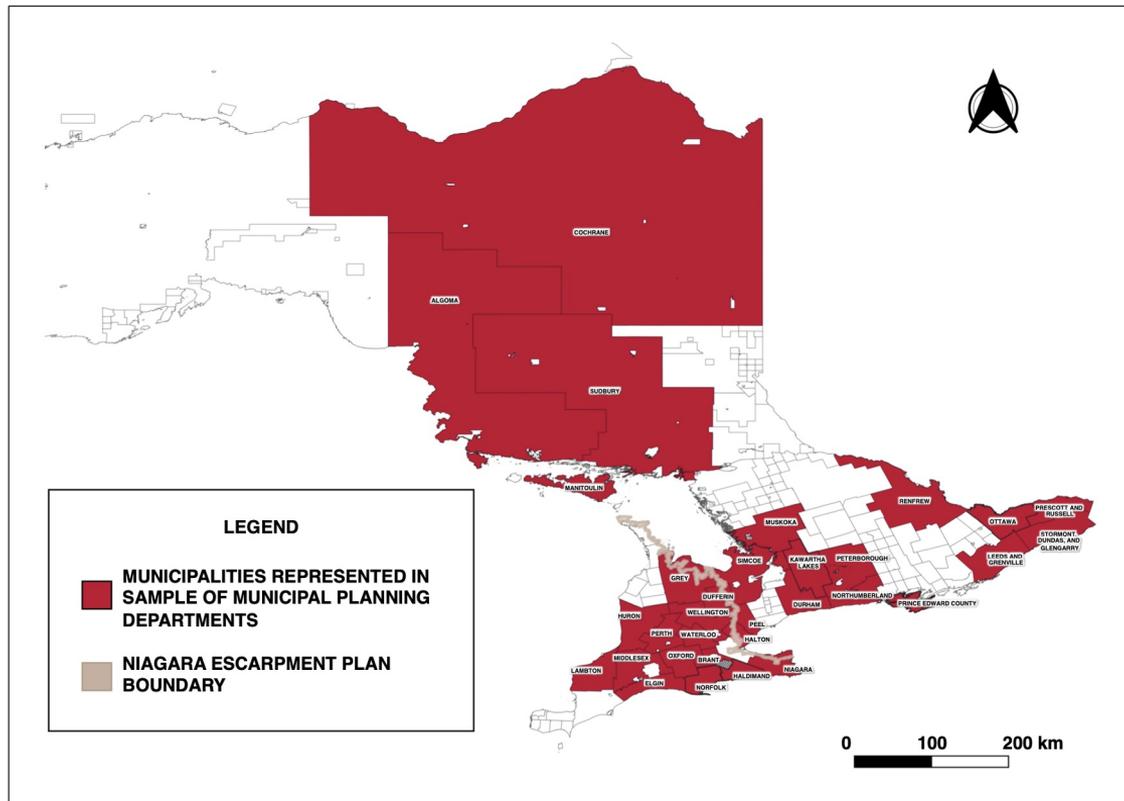
**37** Participants

**23** Upper-tiers

**6** Single-tiers

**7** Planning Boards

**& Niagara Escarpment Commission**



# SURVEY RESULTS

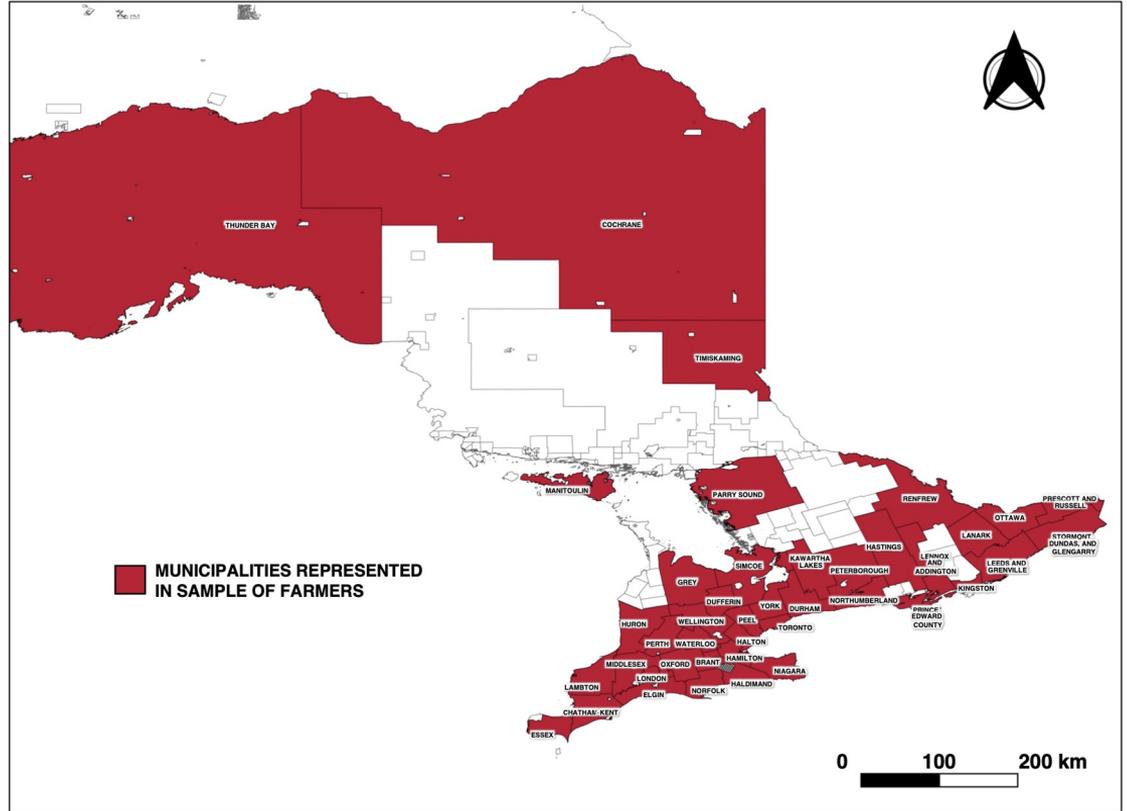
## Profile of Farmer Sample

**146** eligible participants

**92%** are family farmers

**39%** rely on some form of off-farm income

**75%** of farms are in the Prime Agricultural Area

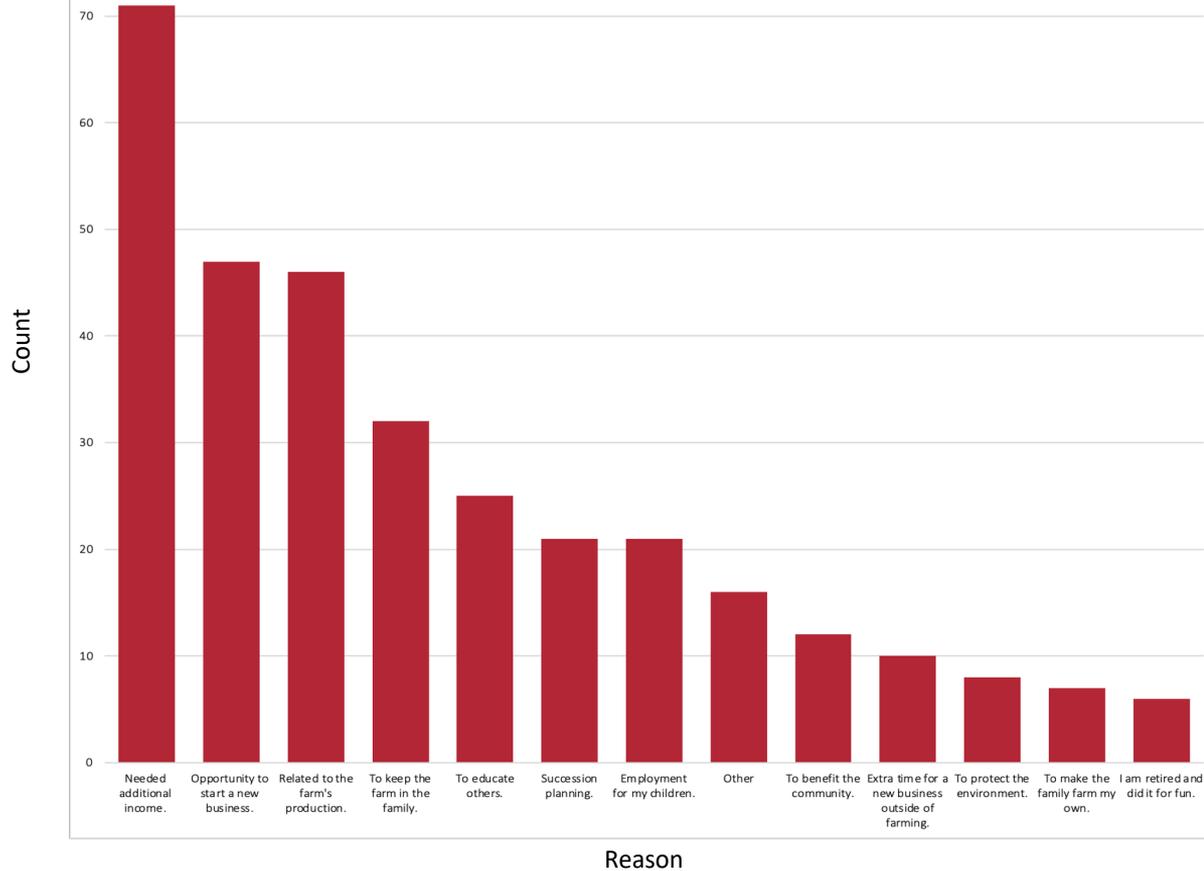


# SURVEY RESULTS

Farmers



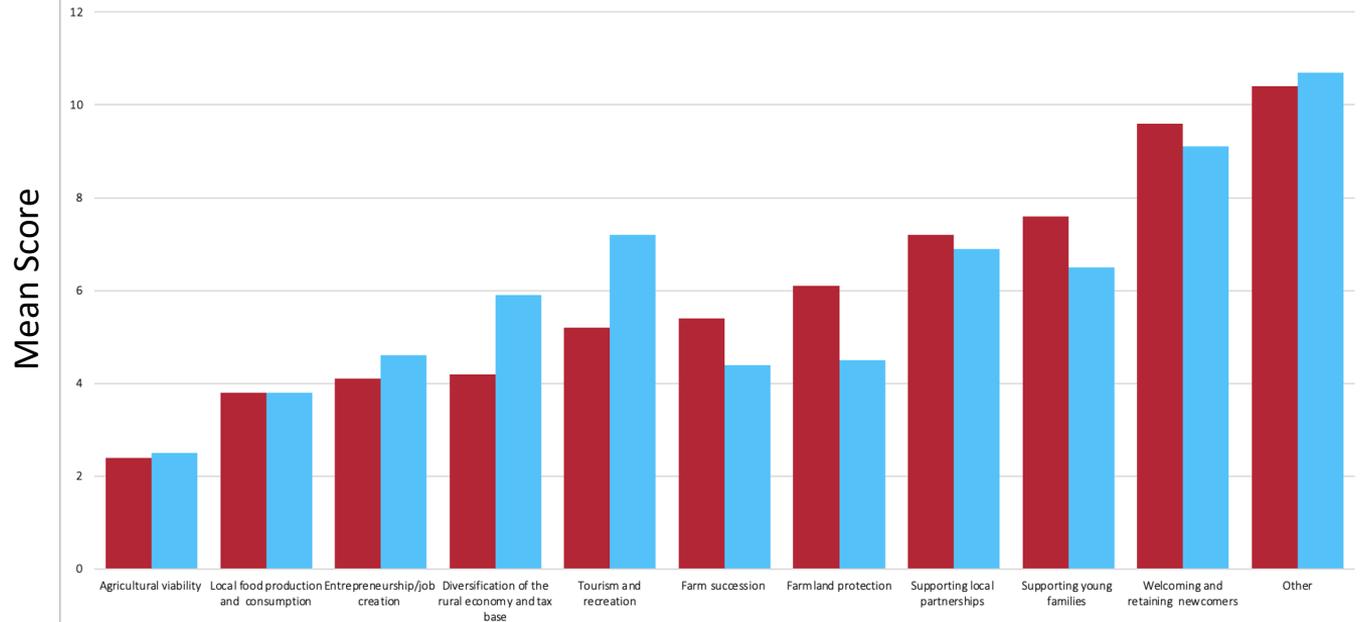
## Why did you establish the OFDU?



# SURVEY RESULTS

Planners & Farmers

On a scale from 1-11, rank the following contributions of OFDUS based on their level of importance (1 being most important and 11 being least).



Contributions of OFDUs



# SURVEY RESULTS

## Farmers

How many jobs were created as a result of the OFDU (inclusive of part-time and full-time positions)?

An average **3** jobs created *within* the family unit

An average **9** jobs created *outside* the family unit

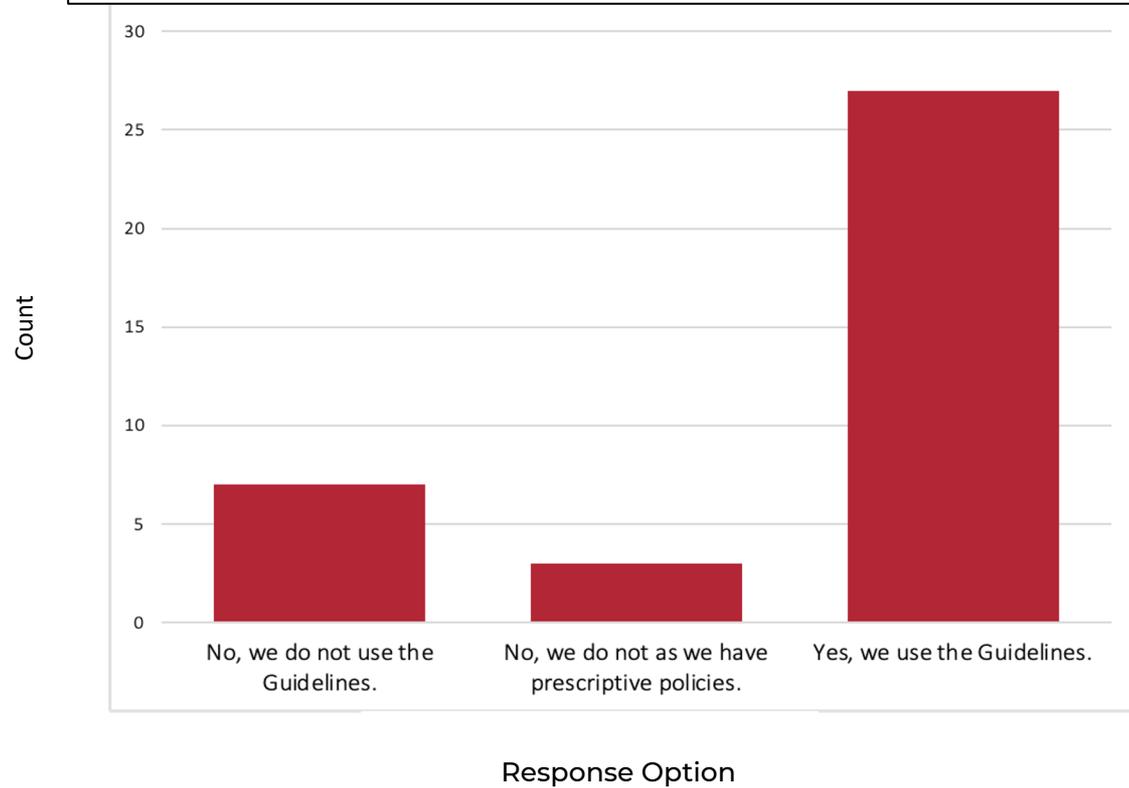
In total, **1,551** jobs were created as a result of OFDUs

# SURVEY RESULTS

## Planners



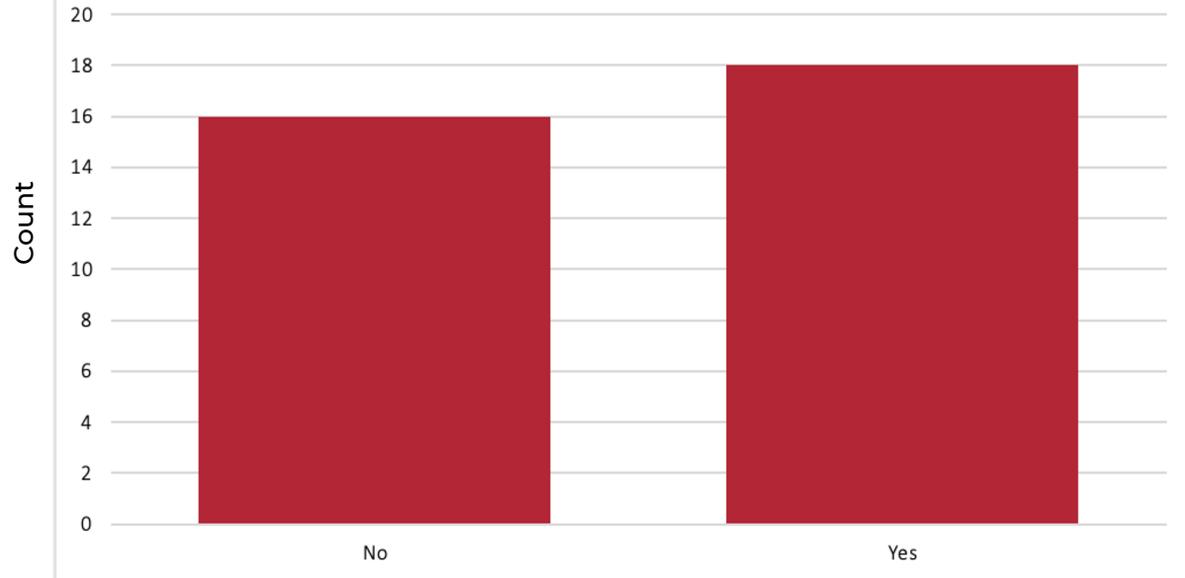
Does your municipality use the Guidelines when new OFDUs are proposed?



# SURVEY RESULTS

Planners

Do you think the Guidelines' recommendation of a 'size and scale' maximum of "2% of farmlands to a max. of 1 ha" is an appropriate size for all OFDUs (to protect farmland and enable economic opportunities)?



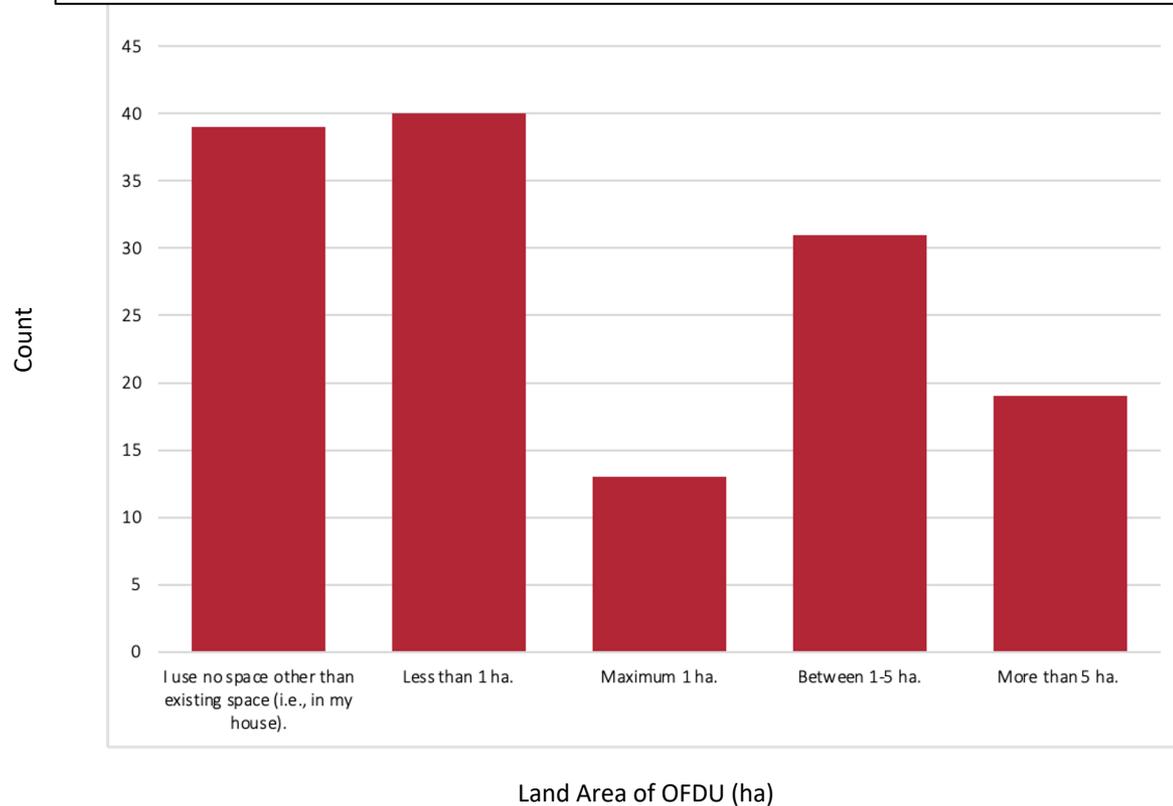
Response Option

# SURVEY RESULTS

Farmers



How much land (hectares) do you use for your OFDU (excluding land used for agricultural production)?

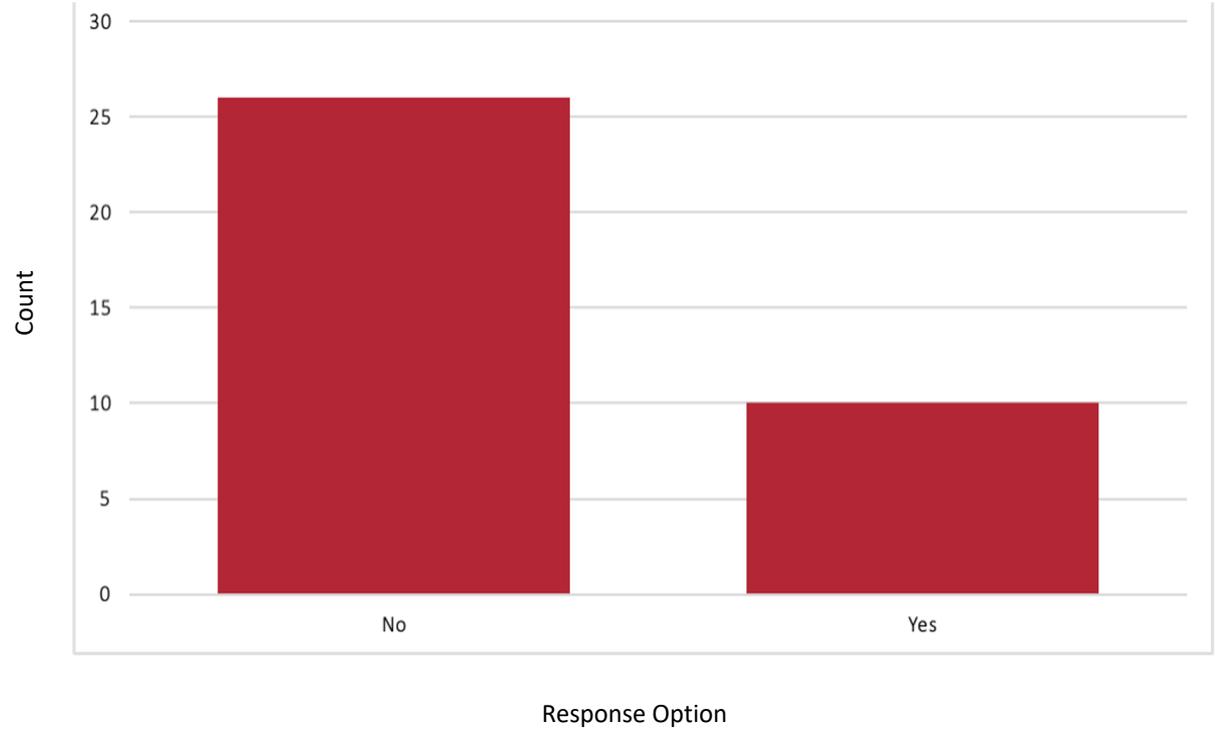


# SURVEY RESULTS

Planners



**Does your municipality have any policies to promote the reuse of existing buildings and structures?**

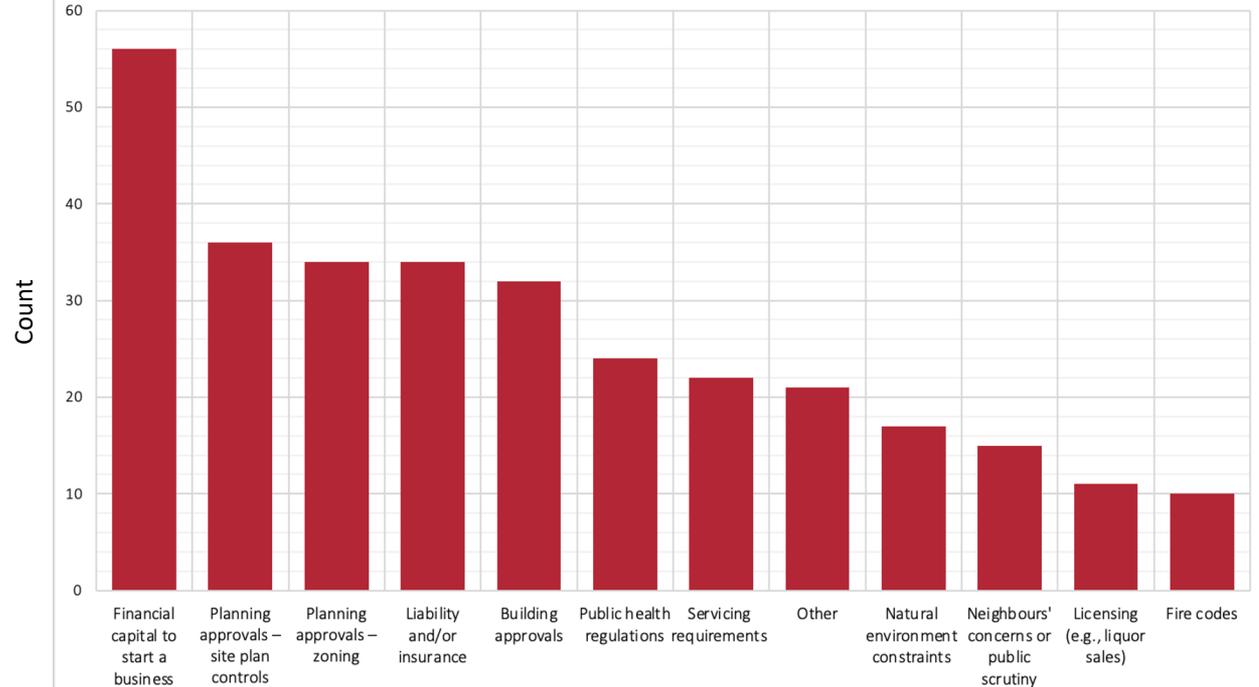


# SURVEY RESULTS

Farmers



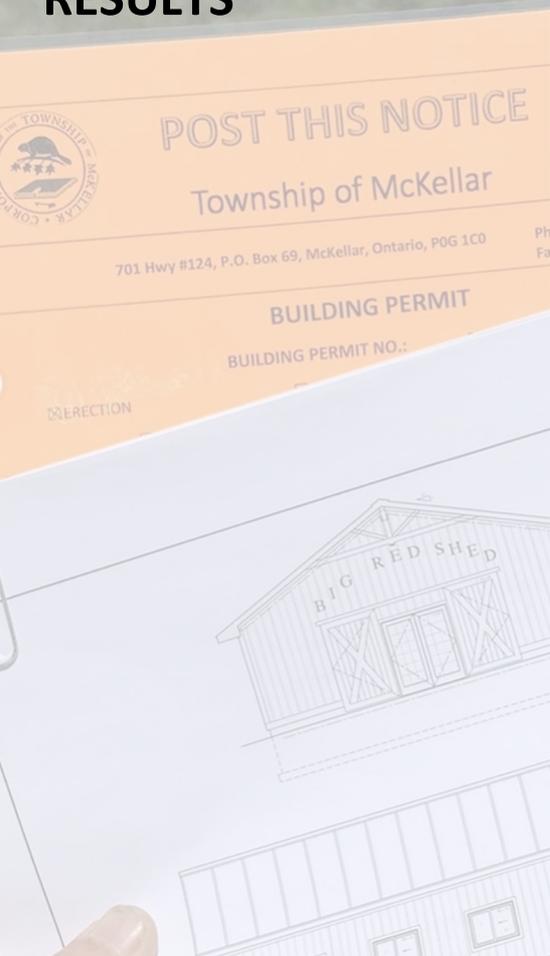
What challenges did you experience when establishing or expanding the OFDU?



Challenge



# INTERVIEW RESULTS



**Farmer P37:** “We went to the political level and had **public meetings** about [the zoning by-law amendment]. It was excruciatingly difficult. **I wouldn't wish it on my worst enemy.**”

**Farmer P05:** “... Because the whole farm is zoned as that “agricultural plus” designation, we're able to do those events without having to get any specific permits. **That designation allows us to go forward** without too much hassle. I think it'd be really hard to do it if we were not designated that way.”

**Farmer P15:** “So we did a rezoning application to allow for many of the things that we do here on the farm... the cafe, the bakery, events, and things like that. ... because a lot of **the activities we do aren't 'traditional agriculture.'** ... Our goal would be to have ‘right-of-use,’ because many farms want to do diversified uses, but they either don't have the time or the finances to **rezone and fight the township.** So instead they either **get discouraged, they do it without approval, or they just don't do it at all.**”

## INTERVIEW RESULTS

**Farmer P37:** “Municipal governments are supporting those programs, but they forget to tell building, by-law, and planning that this [on-farm diversification] is an important thing. **There's no discussion between the departments.**”

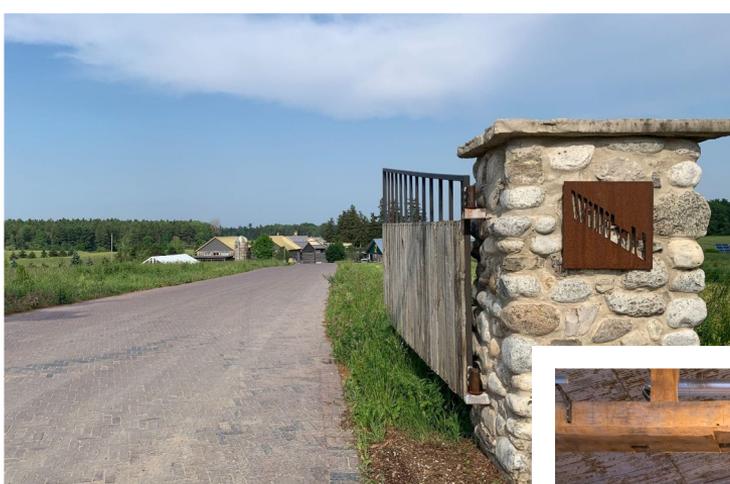
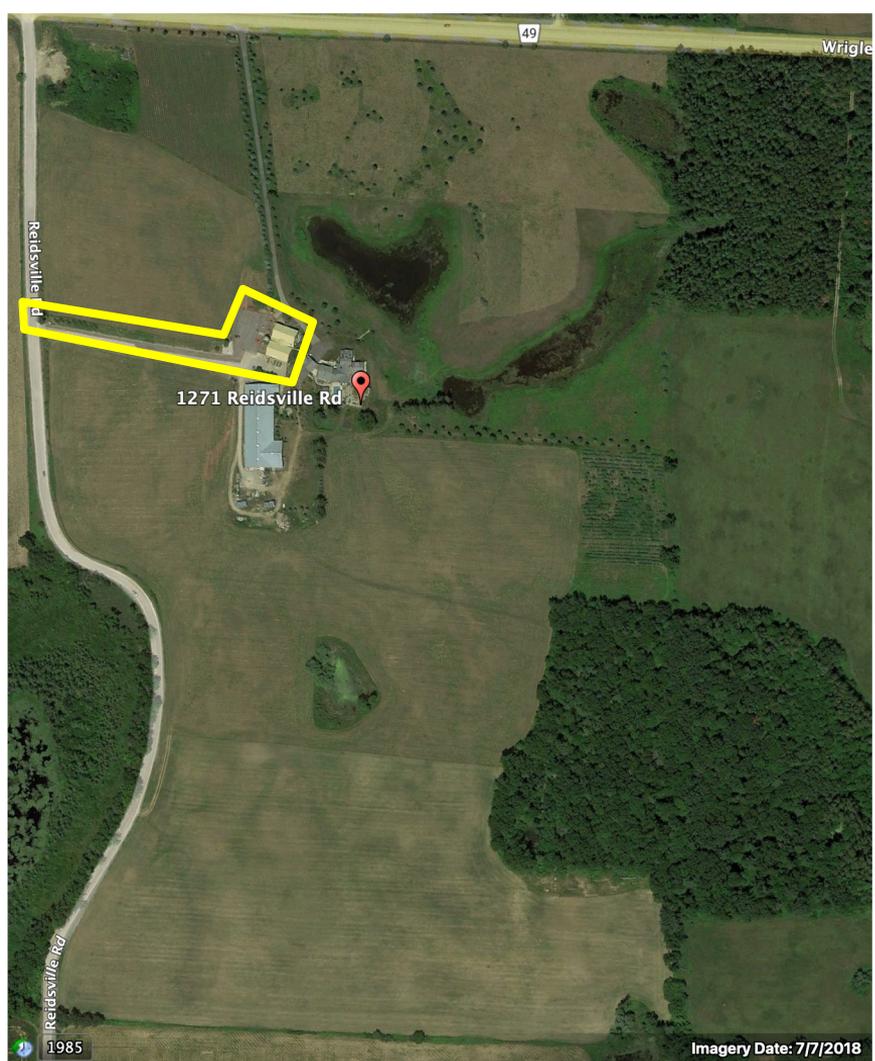
The [economic development committee] brought... **planners and departments to our farm to show them what could happen [with on-farm diversification].** At the same point, I would walk down the hall to the planning department who seemed to be doing everything to stop us. They kept saying... “if we allow you, we have to allow everyone.” **If you allow me, then you've got this is how it's done. And you've got a pathway for the next [farmers] to come.** I want to be that person — I will help you write the bylaws. I'll help you write the plan to make this happen.

We've been pushing hard for many years and continue to because it's so important. We've seen the industry thrive. And we've seen people make a living on their farm and ***not just make a living but thrive.*** And, you know, this is, in my opinion, one of the only ways to **truly preserve the family farm.**”



ONTARIO'S PREMIER FARM  
DISTILLERY RESTAURANT BREWERY

**Willibald Farm Distillery & Brewery**  
**Township of North Dumfries, Ontario**



**Willibald Farm Distillery & Brewery**  
**Township of North Dumfries, Ontario**

## 'Field of Dreams' diversification

Got a diversification project in mind? Get ready for some serious negotiating — not with the bank but with the planning staff in local government

In today's agriculture, in other words, there are opportunities to do more than produce crops and livestock. There are business opportunities to reach out to consumers too.

"People are searching out not just products, but experiences."



For Willibald's founders John and Nolan van den Heyden and Cameron Formica, getting planning and building approvals stretched over three years. Photo: Willibald Farm Distillery and Brewery

**CountryGuide**  
STRATEGIC. BUSINESS. THINKING.



"The unknown is always terrifying, but we filed all the paperwork," Formica says of the zoning process to get approval for their farm-based diversification project. photo: Willibald Farm Distillery and Brewery



"There's a whole process farmers have to go through with planning applications and studies and so on," says researcher Pam Duesling. photo: Willibald Farm Distillery and Brewery

The partners' positive feelings for the village where they grew up was also part of their decision. "Ayr needed something," Formica says.

Published: April 7, 2022  
By Lois Harris



# KEY RESEARCH FINDINGS

## What We Found

- The Guidelines are a **valuable and useful tool** but are currently **underutilized** by municipal counterparts
- More **outreach, education, training** and **sharing of best** practices are required
- Updates are required on the Guidelines:
  - Confusion between Ag-Related & On-Farm Diversified uses
  - **“Farm first”** and **“size and scale”** are the key principles municipalities must prioritize
  - More **guidance** on event venues and **cumulative uses**
- Municipal strategies and policies including the following are useful:
  - **As-of-right** policies and provisions in zoning by-laws
  - **Simplified or scaled back site plan control** processes
  - Exempted or **limited fees** for farmers, where possible
  - **Design guidelines** to have the OFDU “look and feel” like a farm

# RECOMMENDATIONS

## A Snapshot Part I



1. Municipalities, the provincial government, and the agricultural community should **recognize the value in the OMAFRA Guidelines** as a useful tool.
2. Province to work with municipalities to utilize, interpret, and implement the guidelines into local level policy and **provide training to municipalities.**
3. Niagara Escarpment Plan **Policy 1.4.3.2, should be amended** to omit the words *“in prime agricultural areas.”*
4. Design specifications, both put out by the province and municipalities, to **ensure that the character of a farm** is maintained.

# RECOMMENDATIONS

## A Snapshot Part I



5. Municipalities (all departments) and farmers are encouraged to have **pre-submission consultation meetings** with all fees, timelines, and requirements laid out. It should be used as an opportunity for open discussion.
6. **Fees and requirements** should be scaled back for farmers (i.e. development charges, engineered drawings, studies, application fees, site plan control, etc.).
7. **Enhanced working relationships** between municipalities, OMAFRA, and various farm organizations to provide resources to support OFDUs.
8. Farmers are encouraged to **maintain positive neighbourly relations** to ensure most successful outcomes for both farm operations and on-farm diversified businesses.

## NEXT STEPS



- Share results and recommendations with the following stakeholders, including:
  - Ontario Professional Planners Institute
  - Canadian Institute of Planners
  - Niagara Escarpment Commission
  - Golden Horseshoe Food and Farming Alliance
  - Ontario Federation of Agriculture
  - Farm Fresh Ontario
  - Municipal Agricultural Advisory Committees
  - Ontario Ministry of Agriculture, Food, and Rural Affairs
  
- Compatibility tool in the works
  
- Report to OMAFRA available at [www.waynecaldwell.ca](http://www.waynecaldwell.ca)
  
- More publications and presentations to come

# THANK YOU

We would like to thank the Ontario Agri-Food Innovation Alliance for supporting this project.

Additionally, we would like to thank all planners and farmers who contributed their perspective, experience, and knowledge to this project.

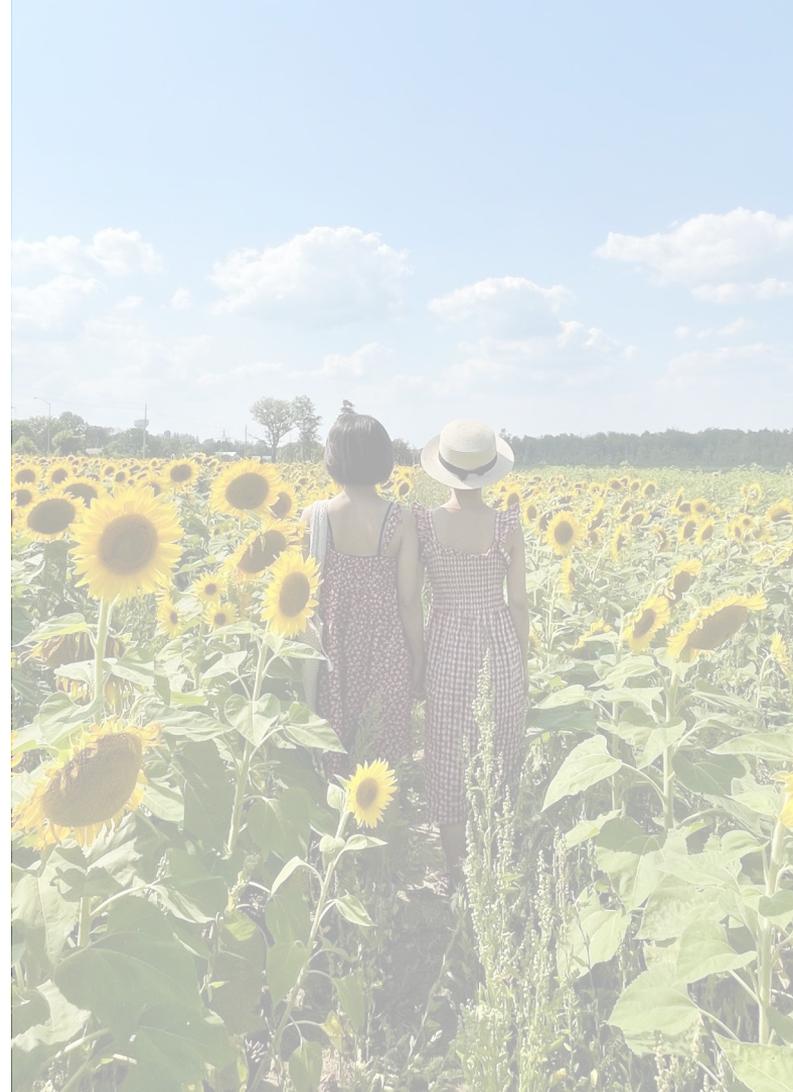
To learn more or continue the discussion, please visit:  
[www.waynecaldwell.ca](http://www.waynecaldwell.ca)

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# QUESTIONS, DISCUSSION, & FEEDBACK

