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# The Regional Municipality of Durham Report

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To: Planning and Economic Development Committee  
From: Commissioner of Planning and Economic Development  
Report: #2023-EDT-3  
Date: February 7, 2023

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**Subject:**

Best Practices for On-Farm Diversified Uses

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**Recommendation:**

That the Planning and Economic Development Committee recommends:

That this report be received for information.

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**Report:**

**1. Purpose**

- 1.1 The purpose of this report is to deliver a report to Committee that was recently released by the University of Guelph, School of Environmental Design and Rural Development titled "[Guidelines on Permitted Uses as a Tool to Achieve Farmland Protection, Farm Diversification and Economic Benefits: Assessing effectiveness and identifying best practices](#)".
- 1.2 This report will be accompanied by a staff presentation by Stacey Jibb, Manager of Agriculture and Rural Economic Development.
- 1.3 Published in November 2022, the Report was written by Dr. Wayne Caldwell, Dr. Pam Duesling and Emily Sousa. It was funded by the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) and the Ontario Agri-Food Innovation Alliance.

## 2. Background

- 2.1 Durham's Agri-Food sector is a leading contributor to the local economy, with more than 1,200 farms generating \$354 million in farm cash receipts, it is estimated that this sector supports jobs for 27,105 people through 3,360 local agri-food business establishments.
- 2.2 More than 80 per cent of Durham lies within the provincially designated Greenbelt, which supports a thriving agri-food industry through job creation and stewardship of the region's natural assets. With a competitive edge over other Greater Toronto and Hamilton Area (GTHA) municipalities, the ongoing growth of the agri-food cluster is critical to the overall economic success of the region, allowing Durham to leverage opportunities for growth across the entire value chain. There is a vital role to play in attracting visitors through enabling new agri-tourism offerings, local food and On-Farm Diversified Uses (OFDU), that support enhanced quality of place and access to local products and experiences. Our farmers are cutting-edge, creating an environment that provides access to the right tools and resources to invest in and adopt leading agri-tech and modern agricultural applications.
- 2.3 The Region's new five-year Economic Development and Tourism Strategy ([Ready Set Future: A PLACE Blueprint for Durham](#)) outlines five priority clusters with a high potential for creating good, high-quality jobs. One of the priority clusters is Agri-Food, inclusive of the economic growth opportunities listed in the paragraph above.
- 2.4 OFDUs are permitted in Prime Agricultural Areas under the Provincial Policy Statement (PPS). To help municipalities, decision-makers, farmers and others to interpret the PPS, the Ministry of Agriculture, Food and Rural Affairs developed [Guidelines on Permitted Uses in Ontario's Prime Agricultural Areas](#) (the Guidelines). The Guidelines provide criteria and examples of OFDUs, that allow farmers to balance farmland preservation with appropriate development opportunities and allow additional revenue to be generated on the farm.
- 2.5 While OFDUs cover a broad range of business types, they must meet five policy criteria as specified in the PPS:
- a. Located on a farm
  - b. Secondary to the principal agricultural use of the property
  - c. Limited in area (e.g., 2% of farmland to a maximum of 1 ha)
  - d. Includes (but is not limited to) home occupations, home industries, agri-tourism, and value-added uses
  - e. Is compatible with, and does not hinder, surrounding agricultural operations

- 2.6 Examples of OFDUs include (but are not limited to) value-added uses such as a winery, bakery, agri-tourism and recreational uses, home occupations such as a bookkeeper or daycare, home industries such as a vehicle repair shop, retail services like a farm market, and a small café or restaurant.
- 2.7 The agri-food industry is evolving and OFDUs have emerged as a significant economic development opportunity to grow the agri-food industry by creating more jobs on the same amount of land, introducing new revenue streams to help agricultural operations remain viable, providing job opportunities for farm families, and attracting visitors to rural areas to learn about food and farming.
- 2.8 Since this is an emerging trend, many municipalities are still grappling with how to translate the Provincial guidance into a local policy appropriate for their community context.
- 2.9 To support OFDUs, policies have been included in the draft new Regional Official Plan (to be released later this month) that encourages and permits agricultural-related uses and OFDUs in prime agricultural areas, Major Open Space Areas and the Oak Ridges Moraine land use designations, subject to the criteria laid out in the Guidelines and the PPS.
- 2.10 The Report identifies several jurisdictions across Ontario who have also included policies in their Official Plans and land use permissions in their local Zoning By-Laws. For instance, the County of Brant (a single-tier municipality) has developed OFDU specific policy with the intent of having land-use policies to help farmers branch out and add to their income potential within prime agricultural areas. The County of Brant has also created a resource for farm businesses to utilize titled [‘Planning Your Agriculture-Related Use or On-Farm Diversified Use Project Guide’](#) which identifies project qualifications and requirements as well how to get started with an OFDU as a component of your business.

### **3. Previous Reports and Decisions**

- 3.1 Growing Agri-Food Durham – A Five-Year Plan to Grow the Agri-Food Industry, was endorsed by Council in June 2022 ([#2022-EDT-10](#)).
- 3.2 The Local Food Business Retention and Expansion Project: Annual Implementation Update ([#2022-EDT-16](#)).

#### **4. Best Practices for Municipalities to support On-Farm Diversified Uses**

- 4.1 The Report is based on research conducted by the University of Guelph over the prior year, including interviews with farm organizations, rural municipal planning departments across Ontario, and over 150 farmers diversifying their farm operations. The research team presented to the Durham Agricultural Advisory Committee and the Agricultural Advisory Committee of Clarington and gathered input.
- 4.2 Recommended best practices from the report are summarized below:
- a. Recognize the value of the OMAFRA Guidelines as a helpful tool. They provide a baseline to interpret policy and open new opportunities for financial viability for farmers.
  - b. Implement the Guidelines into local-level approaches, including definitions in the zoning by-law, size and scale criteria, and as-of-right land use permissions.
  - c. Municipalities should have pre-consultation meetings with farmers to increase awareness of what applications, timelines, and fees may be required to apply for an OFDU.
  - d. Where possible, responsible, and feasible, municipalities should scale back fees and requirements for farmers applying for OFDU development permissions.
  - e. Enhance working relationships and collaboration between municipalities, OMAFRA, and various farm organizations, to provide resources to support OFDUs in the agricultural community.
  - f. Farmers should maintain positive neighbourly relationships with adjacent landowners to ensure the most successful outcomes for farm operations and OFDUs.

#### **5. The Five Tests of an On-Farm Diversified Use**

- 5.1 To assist municipalities with evaluating OFDU applications, the report also debuts the 'Five Tests of an OFDU' pre-Consultation Compatibility Tool. This tool can assist municipalities in determining the relative merits and impacts of different policy choices to ensure OFDUs are screened for their compatibility, potential on- and off-site impacts, and that they meet the criteria of provincial policy.

## 6. Relationship to Strategic Plan

6.1 This report aligns with/addresses the following strategic goals and priorities in the Durham region Strategic Plan:

a. Goal 3: Economic Prosperity

- Item 3.5: Provide a supportive environment for agriculture and agri-food industries

## 7. Conclusion

7.1 The attached report from the Province of Ontario outlines the best practices for municipalities in supporting and enabling OFDUs, as a means to grow financial viability of agri-food businesses. By adopting these best practices, municipalities can preserve farmland, create high-value jobs in agricultural areas, grow rural economies and support tourism.

7.2 The draft new Regional Official Plan will include a policy framework that encourages and permits agricultural-related uses and OFDUs in prime agricultural areas, Major Open Space Areas and the Oak Ridges Moraine land use designations, subject to the certain circumstances as laid out in the Permitted Uses in Prime Agricultural Area Guidelines and the PPS.

7.3 A copy of this report will be circulated to Durham's Area Municipal Directors/Commissioners of Planning.

Respectfully submitted,

Original signed by

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Brian Bridgeman, MCIP, RPP  
Commissioner of Planning and  
Economic Development

Recommended for Presentation to Committee

Original signed by

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Elaine C. Baxter-Trahair  
Chief Administrative Officer