FOOD & FARM INNOVATION IN THE CREATIVE AGE

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"If a society does not value its farmers and farmland, then it does not value the capacity to grow its own food, and both eventually will be lost." (Lister, 2007, p. 160)

As the above quote asserts, agriculture represents a case of 'use it or lose it'. For reasons of food security, economic viability and cultural value, agriculture is an important practice to support, sustain, grow and celebrate in the province of Ontario. At present, as farmers are experiencing increasing economic uncertainty and a large portion of the younger generation of Ontarians are not entering the sector, agriculture is at a crossroads. The industry can either continue to decline and Ontarians can continue to rely on food from elsewhere for our subsistence, or, we can reinvigorate our agricultural sector and reap the countless benefits – economic, social, cultural, environmental, and health – that will come from strengthening and reimagining the agricultural sector.

Although the trend for North American farms has been a shift towards fewer farms to much larger ones, many smaller-scale farmers have been unable, or unwilling, to industrialize to that extent (Gray, 2005, p. 23). Often this has meant those farmers have found sustaining agricultural livelihoods difficult, but with the right elements in place, smaller-scale farmers can survive and even thrive. To do that, emphasis is placed on non-commodity crops, finding local and regional market niches, diversification of food products and explicitly linking food to the social, economic and environmental aspects of the region in which it was grown or made. Through new, innovative farm practices, the industry can meet the needs of the current and future market, and reach a higher level of economic sustainability.

How do land use planning approaches at the regional and provincial planning levels impact innovation in agricultural practices in the Greater Golden Horseshoe?

The objectives of rural planning are multifold: to realize goals surrounding environmental protection, land preservation, food sustainability, economic development, public health, as well as to maintain and support rural culture (Province of Ontario, 2005a; van Lier, 1998). It aims to do so efficiently and ethically within the planning framework by employing a primary set of tools that includes provincial policies, official and secondary plans, and municipal zoning by-laws. These land use planning policies and tools take many forms that encompass different understandings of, and approaches to, agriculture.

The institutional structures that surround farmland protection and use change over time and reflect social norms, power structures and politics, food security, recreation and resource management (Feitelson, 1999).

While these notions of what agricultural land and practices are may change, the policies that govern their use often take a very long time to respond to the contemporary reality.

The goals of food security and a viable agricultural sector call for a deeper valuation and appreciation of food. Betsy Donald makes a compelling argument for food's special status as a commodity: "… food, unlike any other commodity on the planet, is intimate: we eat it," and, as noted above, its effects are far-reaching (Donald, 2009, p.25-6).

More fundamentally, food is essential for our health, culture and daily life. Because of this, the agricultural sector is incredibly important to support and protect, as opposed to any other sector that may be on the decline. A renewed recognition of and appreciation for food is key to any solution to the challenges facing the agricultural sector, which, to some extent, is already beginning (Donald, 2009; Ilbery & Kneafsey, 2000; Seccombe, 2007).

With changing social norms, in which power structures and political environments that food and agriculture are wrapped up, planners must play an active and hands-on role in navigating farmers, consumers, governments, and other stakeholders, all with their own interests, through these complex systems. Planners have been trained and have experience in dispute resolution, through stakeholder analysis, consensus building and visioning, all of which "can [and will necessarily have to] be applied to search for common ground in food systems discourse, coalition building, policy advocacy and grassroots activism" (Campbell, 2004, p. 342). Planning must continue to be a bridge between those tensions that arise while trying to achieve an economically vibrant, environmentally sound, socially equitable and secure food system.

With a focus primarily on environmental protection, land preservation, public health, economic development and the maintenance of a rural culture, rural and agricultural planning are well established and important processes (Campbell, 2004; Heimlich, 1989; van Lier, 1998). The ways in which these approaches to planning policies have been undertaken represent different understandings of agriculture and shed light on its relative importance in any given region.

Many approaches to planning policies and their on-ground regulations currently show a more traditional understanding of agriculture – one that focuses on the preservation of rural land for agricultural purposes – which often place limits on the types and methods of agriculture allowed, limiting innovation.

The Role for Food and Agricultural Innovation

The key challenge for agriculture today is economic. The increase of financial uncertainty for farmers that has resulted from the rise of global food competition is the single most threat to the sustainability of the agricultural sector. If farmers cannot expect to make a living from farming, how can we expect the industry survive, especially without subsidies to say of nothing of growth and expansion? Without a fundamental restructuring of our food system, through changes in supply and demand, national and local policies, farm innovation and support, the agricultural sector is susceptible to decline and decay. Changes on the part of producers, consumers, governments and organizations are all key to making this shift.

For farmers, it is necessary to acknowledge that the agricultural industry has shifted from being supply-driven to being largely demand-driven, as consumers have more food choices available due to the rise of imported and processed food products (Charlebois, 2008). The abundance of imported foods today has made it difficult, if not impossible, for Ontario farmers to compete on the basis of price (Donald, 2009; Feagan, et al., 2004; Lister, 2007; Seccombe, 2007).

As well, factory farms – the large-scale, usually monocultured farms that supply many of the cash crops and meat and dairy – dominate the landscape, selling large quantities of relatively-cheaply produced foodstuffs to producers and grocery chains which pass along savings to the consumer in this manner. For these reasons, there is a need for the agricultural industry to develop new markets and attract customers in order to prosper (Charlebois, 2008). This can be done by being more aware of and adaptive to changes in the marketplace, as well as through the development of new agricultural products and services, finding new, creative ways of connecting producers and consumers, and through regulations, policy and programs that support local food.

With regard to the market surrounding food and agriculture, one potential area of growth that farmers may look to is the rise of what Betsy Donald refers to as the "creative food economy" – specifically, the group of niche food products that include local, ethnic, organic and other specialty foods.

It has been estimated that this area has grown at a rate of 15 to 25 per cent over the last decade, compared with growth of 2 to 3 per cent in the traditional agricultural sector (Donald, 2009).). While this growth is relative to the size of the initial market (so a small increase in the much larger traditional sector would result in more net growth overall), this trend still indicates a shift in consumer demand that will likely continue. The creative food economy an industry prompted by broader society's changing views of sustainability and local and regional economic and social development, and furthered through innovation; that is, the way to adapt to constantly changing markets and shifting targets. It is considered to be a key for the further viability of future sustainable economic growth within the agriculture and agri-food sector. Initially, the creative class hypothesis, popularized by scholar Richard Florida, suggested that creative class occupations and those people employed in them are drawn to larger urban centres for the amenities and diverse lifestyles not afforded in peripheral or rural areas. However, rural and peripheral areas also may exhibit high levels of creative occupations and conditions favourable for the creative class. These conditions include a level of vibrancy, diversity and, crucially, innovation and adaptability to changing market needs.

Emphasizing the creative aspects of all jobs and occupations involves adapting to new situations and products, innovating creative solutions, and being agile enough to make fast changes to the development, creation, harvesting and marketing of products to maintain an appropriate level of efficiency. Indeed, farmers themselves will be the first to say that they are engaged in creative processes, adapting surprisingly quickly to changing market demands.

While the 'traditional' creative food economy – that one pejoratively made up of wine and artisanal cheese – is one strategy for adapting to market shifts, it is not necessary or even desirable for a majority of so-called mainstream farmers (those who employ more traditional techniques to produce staple fruits, vegetables, grains, dairy and meat products) to shift over to this kind of product. In order to meet the food needs of Ontarians, there needs to be growth – in terms of production numbers, employment and the overall economic value – in this traditional agricultural sector through innovative and creative practices and approaches.

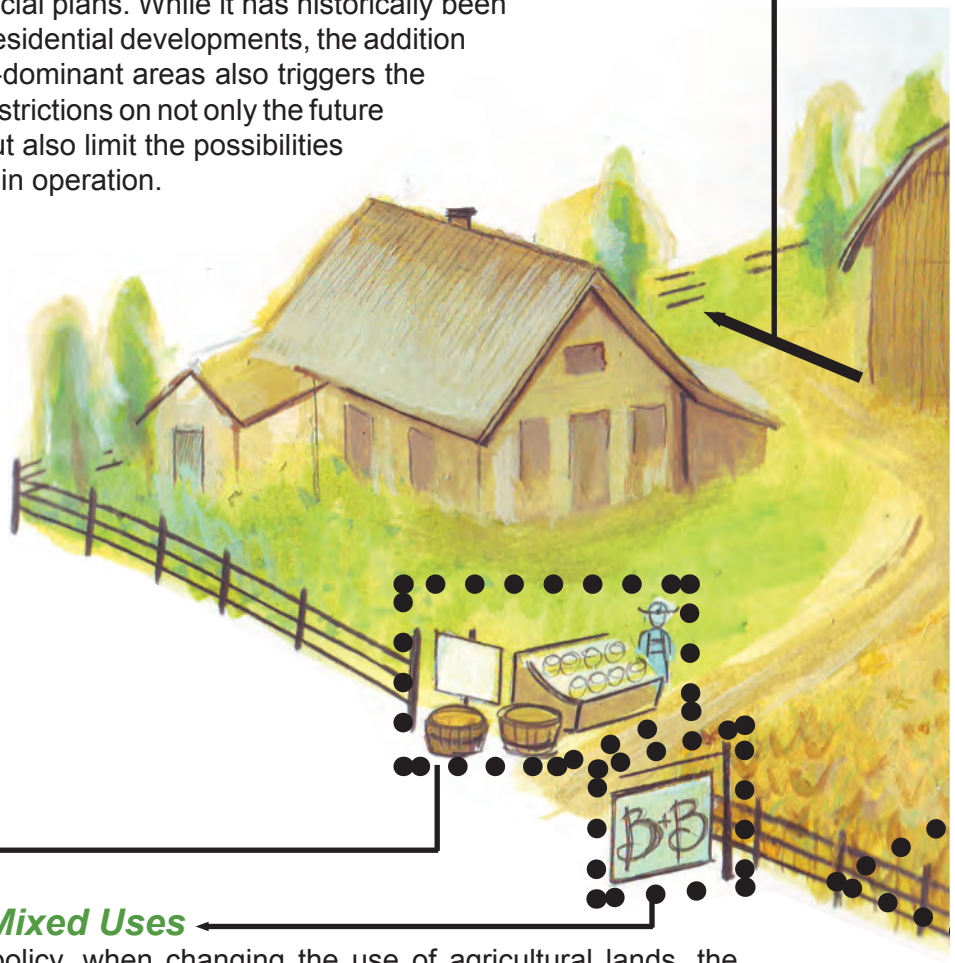
As it has become clear, then, the economic context for food and agriculture has changed in recent decades, and that mainstream agriculture in practice and the policies that govern its operations have been slow to adapt (Donald & Blay-Palmer, 2006). As a result, an increased emphasis on on-farm innovation is necessary for future provincial, regional and individual agricultural viability.

It is through innovation the agricultural sector is enabled to respond to the increasing demand for ethnic, organic and specialty food products while developing new techniques and processes for production, distribution and marketing. Agricultural and farm innovation may also take the form of ancillary on-farm services and practices, such as bed and breakfasts, artisans' workshops or winery tours.

More specifically, an option for producers would to shift some or all of their production to take advantage of new increased demand for these goods. A related strategy may be to engage in value-adding (the process of creating a new food product from raw initial products) in order to diversify products offered and potentially tap into new markets (Barlas et al., 2001; Charlebois, 2008; Donald, 2009).

Minimum Distance Separation Formulae

The Minimum Distance Separation Formulae (MDS) is a land use planning tool used to minimize land use conflicts by creating a buffer between residential areas and agricultural operations. It has been developed by the provincial government and is mandated to be included in all regional and municipal official plans. While it has historically been used to protect farms from encroaching residential developments, the addition of residential uses in once agriculturally-dominant areas also triggers the employment of the MDS and can place restrictions on not only the future location of certain farming operations, but also limit the possibilities of expansion for those that are currently in operation.

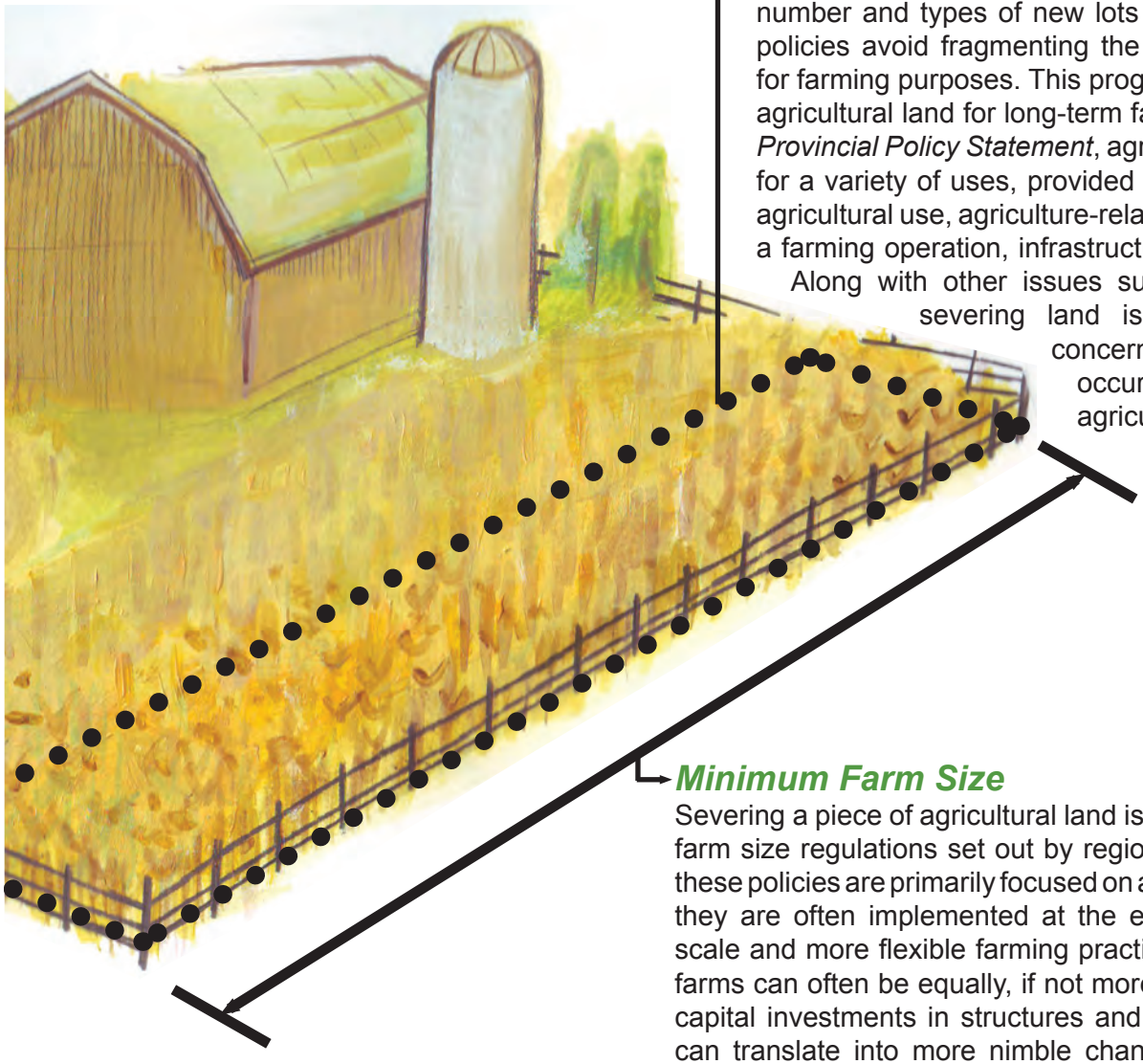


Value-Adding

A value-added agricultural product is a raw agricultural product that has undergone additional stages of processing. Presently, value-adding processes such as, distribution, packaging, and processing, are hindered by several provincial and municipal policies: *Provincial Policy Statement, Places to Grow, Greenbelt Plan,* upper and lower tier municipal official plans, and zoning by-laws. Adding value to raw agricultural products provides the consumer with a unique or creative commodity.

Secondary & Mixed Uses

As per provincial policy, when changing the use of agricultural lands, the new use must not encumber surrounding agricultural operations. The criteria for possible secondary and mixed uses are outlined in municipal planning documents. On prime agricultural lands, permitted uses include: defined agricultural uses, secondary uses – any use that is secondary to the primary use of the property, such as, home operations, home industries and value-added agricultural products – and agriculture-related uses. Limiting the types of secondary and mixed uses on agricultural land can hinder the ability for producers to diversify, expand and adapt to changing markets and demand.



Severance

In order to protect prime agricultural areas, provincial and regional land-use planning policies restrict and minimize the number and types of new lots that can be created. These policies avoid fragmenting the agricultural land that is not for farming purposes. This progression encourages keeping agricultural land for long-term farming use. According to the *Provincial Policy Statement*, agricultural lots may be severed for a variety of uses, provided appropriate criteria are met: agricultural use, agriculture-related use, residence surplus to a farming operation, infrastructure, and for lot adjustments. Along with other issues such as minimum farm size, severing land is wrought with regulations concerning where and when it may occur that may impede greater agricultural land use flexibility.

Minimum Farm Size

Severing a piece of agricultural land is subject to meeting minimum farm size regulations set out by regions and municipalities. While these policies are primarily focused on agricultural land preservation, they are often implemented at the expense of allowing smaller-scale and more flexible farming practices on these lands. Smaller farms can often be equally, if not more flexible as they have fewer capital investments in structures and farming technologies which can translate into more nimble changes in crop production and diversification based on changing economic conditions.

Land Use Planning Issues

Emerging themes and land use planning issues evolved through the four regional investigations. These five land use planning issues focused upon are, secondary uses or mixed use, value-adding, severances, minimum farm parcel size, and minimum farm distance separation. These land use planning issues and their outcomes impact larger agricultural issues, especially those surrounding sustainability, food equity and the economic viability of agriculture in southern Ontario.

Secondary Uses / Mixed Uses

Secondary uses may include agriculture-related, agri-tourism, and value-adding industries, such as, specialty cropping, market gardening, bed and breakfast/farm operations, and what some regions define as "commercial and industrial" activities that are related to agriculture.

The criteria for possible secondary and mixed uses are outlined in municipal planning documents. On prime agricultural lands, permitted uses include: defined agricultural uses, secondary uses – any use that is secondary to the primary use of the property, such as, home operations, home industries and value-added agricultural products – and agriculture-related uses.

As defined by the Provincial Policy Statement, agriculture-related uses: "means those farm-related commercial and farm-related industrial uses that are small scale and directly related to the farm operation and are required in close proximity to the farm operation" (Province of Ontario, 2005b, s. 6.0).

The Greenbelt Plan supports and permits secondary uses in specialty crop areas, prime agricultural areas, and rural areas of the greenbelt (Province of Ontario, 2005a). As per provincial policy, when changing the use of agricultural lands, the new use must not encumber surrounding agricultural operations; this is regulated by the minimum distance separation formulae, which will be discussed in detail below.

The way in which regions and municipalities interpret the Provincial Policy Statement, Greater Golden Horseshoe, and Greenbelt Plan can hinder flexibility and innovation in agriculture. The ability to interpret provincial legislation allows for a narrowly defined permissive use to secondary uses in land use planning. The broad provincial definition and land use policies allows the Official Plans for the Region of Halton, Region of Niagara, Region of Waterloo, and the County of Simcoe to distinguish what they deem as acceptable for a secondary use, to the primary use of the property, in agricultural areas.

Value-Adding

A value-added product is a raw agricultural product that has undergone additional stages of processing. A value-added process may occur as a secondary use to the primary use in agricultural areas.

Presently, value-adding methods such as, distribution, packaging, and processing, are hindered by several provincial and municipal policies, including the Provincial Policy Statement, Places to Grow, Greenbelt Plan, upper and lower tier municipal official plans, and zoning by-laws. As discussed in the Region of Niagara Official Plan, value-adding activities are only permitted if "all of the property remains designated and zoned agricultural" (Region of Niagara, 2007, p. 50). This restriction may not allow processing on-farm if lands require a re-designation to 'industrial' uses. Although the Provincial Policy Statement does not specifically address value-added agricultural products, these activities are permitted under secondary uses. The lack of definition could be a hindrance to land use planning as the regional interpretations may be restrictive. Issues arise when agricultural lands may require redesignation to accommodate the production of the value-added commodity.

By allowing on-farm value-adding activities, such as the production of goat cheese, one can connect urban and rural non-farm residents with farmers, while offering the consumer with a unique or creative commodity. This niche product can increase consumerism and encourage direct farm sales, for instance farm-gate sales. At the same time these practices will diversify the company and provide additional income to the farm family. To encourage value-added commodities, land use planning should be made more flexible to allow innovation and creativity on farms.

Practicing place-based planning and adding value to a place provides the opportunity for: "empowering community members to build community … build relationships and trust … engage in mutual learning … raise awareness of and mitigate conflict … plan holistically … and incorporate a broader range of meaning into planning" (Kruger & Williams, n.d.).

Severances

Land severance, or consent to convey, is the authorized separation of a piece of land to form a new lot or a new parcel of land. The Provincial Government provides thorough guidelines for regions and municipalities to use in creating official plans and policies which reflect the use of severances and the subsequent lot creation.

Agricultural land is a limited resource that, once taken out of production, is very unlikely to be replaced (Caldwell, 2007). There is a strong intent at the provincial and municipal levels to discourage taking productive agricultural lands out of production and permitting other non-agricultural uses on them. The current Provincial Policy Statement has encouraged retaining prime agricultural lands for long-term farming use since the policy came into effect in 2005. As a provincial land use policy document with which all regional and municipal official plans must comply, the PPS discourages the creation of lots in these areas, permitting them only if they are consistent with the rest of the PPS goals and meet the intentions of regional and local plans. Since severances are often viewed as tools that precipitate the fragmentation of agricultural lands their application has been progressively curtailed by government policy both at the provincial and regional levels.

The development of non-farm uses on agricultural lands as a result of severances has been made visible throughout the rural Ontario landscape over time (Caldwell, 2007). Historically, severances have commonly been used by farmers, particularly in the many rapidly urbanizing areas throughout the Greater Golden Horseshoe, as a means to sever and sell off parcels of their land that could be put into other more lucrative uses, the most prevalent of which being lot creation for residential developments.

According to the Ontario Ministry of Agriculture Food & Rural Affairs, between 1990 and 2000, agricultural land severances, for residential use, in Ontario attributed to almost 80 percent of the total lot severances (Province of Ontario, 2008b). Although these severances and property sales provide immediate income to the farm, severing lands may lead to community conflict while restricting possible future expansions of the farm (Province of Ontario, 2008). These non-farm severances can lead to smaller size farmlands and irregular shaped fragmented landscapes making it difficult to grow and harvest crop on the existing farmlands (Hoffman, 1982).

Minimum Farm Parcel Size

Closely related to severances and lot creation is the subject of minimum farm size. For Agricultural Use lot creation, severances may be granted if the new lot is large enough to maintain a common agricultural use with the surrounding area and to give farmers future flexibility, with larger lots often viewed as providing greater flexibility. The Province posits that the larger the lots are, the more efficient and economical are the options that farmers have. Creating agricultural parcels that are too small is seen as limiting the possibilities of future farming opportunities and could limit ongoing farming.

Regions and municipalities determine their minimum farm sizes, and while 40 hectares is considered a minimum lot size by many planning authorities, there are also other factors to consider, including existing local agricultural fabric, the Census of Agriculture, Ontario Municipal Board decisions and surrounding agricultural support businesses.

The Greenbelt Plan (2005), section 4.6, makes mention that the minimum lot size for severed and agriculturally-retained lot is 40 hectares in prime agricultural areas, and 16 hectares in specialty crop areas, of which only the Niagara Peninsula Tender Fruit and Grape and Holland Marsh areas are applicable. The basis of these polices is to ensure that these lands remain in agricultural use. While 40 hectares is the most common minimum farm size throughout the GGH, this remains a sizable farming area that would require substantial investment in land, labour and capital to operate.

Severances are closely related to minimum farm size as the two must be considered in tandem when considering the "splitting" of a farm. Even if both resulting parcels fulfill the necessity of remaining in agricultural production, each new parcel must retain a specific minimum lot size.

Minimum Distance Separation (MDS)

The Minimum Distance Separation Formulae (MDS) is a land use planning tool used to minimize conflicts arising between what are considered to be incompatible uses between residential areas and agricultural operations. The consequence of mixing on farm residents and non-farm residents, particularly those non-farm residents who have migrated to the countryside as a result of the residential developments, are the conflicts that arise surrounding issues "with respect to the question of smells and sounds of farm operations" (Hoffman, 1982). To mediate such conflicts, tools such as the minimum distance separation formulae exist to distinguish the acceptable distance between farm operations and non-farm residential properties. This formulae is used for existing farm operation expansions and in the conversion from one farming operation to another includes factors such as the size of the farming operation, the type of livestock, and the proposed or present development (Caldwell, 1995; Caldwell, 2006; Hoffman, 1982; Province of Ontario, 2008b). These regulations are intended to reduce farm and non-farm residential conflicts.

MDS setback regulations for prime agricultural areas were included in the 2005 update of the Provincial Policy Statement. They are provincially developed policies and are mandated to be included in all regional and local plans. The policies are to be enforced by the local authorities through policy documents including official plans and zoning by-laws when reviewing land use planning applications for severances, lot creation and any building permits. They apply to both new farming operations as well as to any proposed expansion of existing farms.

For a shift in the agricultural sector to occur, these five key issues -- secondary uses, value-adding activities, severances, minimum farm size, and, minimum distance separation formulae -- must be addressed and accommodated for through provincial, regional, and local policies. Although these five issues are discussed as separate instances, the interplay of each of these issues is relevant in numerous examples.

Provincial Policy Context

The role of Provincial legislation is to regulate land use planning in Ontario. Land use planning policies take many forms that encompass different understandings of, and approaches to, agriculture. In rural areas land use planning serves an important function by employing a set of tools, including; the Ontario Planning Act, the Provincial Policy Statement, Places to Grow Act and Greenbelt Act, and municipal official and secondary plans, and zoning by-laws, to realize goals around environmental protection, land preservation, food sustainability, economic development, public health, and to maintain rural culture.

The Planning Act, as an official piece of legislation with legal authority in the Province of Ontario, regulates planning at a broad level. This Act intends to "…promote sustainable economic development in a healthy natural environment … provide for a land use planning system led by provincial policy … integrate matters of provincial interest in provincial and municipal planning decisions … provide for planning processes that are fair by making them open, accessible, timely and efficient … encourage co-operation and co-ordination among various interests … [and] recognize the decision-making authority and accountability of municipal councils in planning" (Planning Act, 1990).

All provincial and municipal policies must adhere to the Act. The Provincial Policy Statement (PPS) is issued under the power of Section 3 of the Planning Act (Province of Ontario, 2005b). The PPS "provides direction on matters of provincial interest related to land use planning and development and promotes the provincial "policy-led" planning system" (Province of Ontario, 2005b, p. 2). The PPS is implemented through provincial, regional, and municipal planning documents such as the official plans and local zoning by-laws.

This Statement reinforces the provincial goals, while regulating the development and land use through a planning policy foundation (Province of Ontario, 2005b). Growth in Ontario is focused within settlement areas, through the PPS, and away from areas that pose risks or contain significant or sensitive resources (Province of Ontario, 2005b).

The Greater Golden Horseshoe (GGH), located in Southern Ontario, was prepared under the Places to Grow Act, 2005 (Province of Ontario, 2006). This framework helps to manage growth and demonstrates leadership in these regions while building stronger and prosperous communities (Province of Ontario, 2006).

While this Plan functions within existing planning framework and provides direction for growth management policy, it does not act to replace upper tier and lower tier municipal official plans (Province of Ontario, 2006). Municipalities in the Greater Golden Horseshoe are required to conform to and incorporate the Places to Grow Act into regional and local planning policies. Within the Greater Golden Horseshoe, the Greenbelt Plan provides clarity surrounding the overarching GGH strategy. To protect the agricultural land database and ecological features, "the Greenbelt Plan identifies where urbanization should not occur" (Province of Ontario, 2005a, p. 3). Within the Greenbelt Plan, the Niagara Escarpment Plan and Oak Ridges Moraine Conservation Plan, support specified ecological lands building upon the Greenbelt protection (Province of Ontario, 2005a).

In the Greater Golden Horseshoe, not all lands are protected by the Greenbelt Plan. The lands protected by the Greenbelt Plan are subject to different – and stricter – planning policies than lands located outside of the Greenbelt.

For instance, the prime agricultural area policies outlined in the Greenbelt Plan, permit uses including, agricultural, agriculture-related, normal farm practices and secondary uses (Province of Ontario, 2005a). The Plan does not permit municipal official plans to redesignate lands for non-agricultural uses, except for, the expansion of a settlement area or the refinement to rural area and prime agricultural designations (Province of Ontario, 2005a, 3.1.3.2). Finally, any new land use, expansion of livestock facilities, and lot creations must comply with the minimum distance separation formulae (MDSF) (Province of Ontario, 2005a, 3.1.3.4). According to the Places to Grow, Greater Golden Horseshoe Plan, prime agricultural areas, "municipalities are encouraged to maintain, improve and provide opportunities for farm-related infrastructure" (Province of Ontario, 2005b, 4.2.2.3,).

Further to these policies, the Greenbelt Plan provides regulations for rural areas. These areas support tourism, recreation, institutional and commercial/industrial uses. These existing uses are permitted to expand at their location; however newer developments generally take place in settlement areas (Province of Ontario, 2005a, 3.1.4).

In the Greenbelt Plan there are two areas that are defined as prime agricultural areas, the Niagara Peninsula Tender Fruit and Grape Area and the Holland Marsh. Both of these areas are regulated by a 'specialty crop area' policy. The largest difference between agricultural area policies and the specialty crop area policies, outside of the Niagara Escarpment Plan, is that the expansion of towns, hamlets, and villages are not permitted in specialty crop areas (Province of Ontario, 2005a). Lands located in the Greater Golden Horseshoe and outside of the Greenbelt Plan area, do not lack importance (Province of Ontario, 2005a). These significant agricultural areas and land resources continue to be governed by the Ontario Planning Act, Provincial Policy Statement, and Places to Grow Act. The preceding policies manage land use in these areas, and have the potential to be managed by future planning frameworks.

A lack of conformity in provincial, regional, and municipal policies, results in a variety of outcomes at the land use planning level. In the case of agricultural uses the PPS is broad, allowing for interpretation at regional and municipal levels, and all encompassing whereas the regional and municipal official plans and policies are often restrictive, preventing farmers from taking part in innovative practices. That said, provincial policies are broad and extremely open, allowing much room for interpretation whereas municipal policies are more restrictive as to what is permitted or not. Although these municipal policies must conform to provincial legislation, a vague perception can often lead to a variety of outcomes and interpretations of the land use planning policies.

Taxation Policies

Amongst the taxation policies that have been discussed in the hope of ameliorating existing on-farm innovation, farmland property tax policies in terms of property assessment and taxation are recognized as the most important taxation aspects in strengthening the long-term viability of farming operations and fostering value-adding agricultural activities in Ontario.

In Ontario, the property assessment process is undertaken at the provincial level which refers to both the valuation of the real property and the classification of the property's value into one or more of the seven property tax classes: residential, multi-residential, commercial, industrial, pipeline, farm, and managed forests. With regard to farm property valuation, there are three issues being discussed as regulatory barriers for valuing farmlands in a fair manner, transparency, productive value, and consideration of non-farmer occupied farm residences.

Transparency:

The methodology used by Municipal Property Assessment Corporation (MPAC) to value farm properties is more complicated than the methodology used to arrive at the value of a residential house. The Ontario Federation of Agriculture (2008) observes that farmers are insufficiently provided with detailed calculation on their own property assessed value besides a rough explanation of how components of farm properties are valued, and it remains unclear on what MPAC is based on to determine farmland's true characteristics (such as soil types and drainage) when assessing the property.

Productive Value:

According to Ontario Assessment Act, The farmland assessment values are based on the selling prices of neighbouring farm properties in a farmer-to-farmer sales approach rather than the farm's productive value. Under such circumstances, it is questionable whether this farmer-to-farmer sales data is reliable and accurate enough for assessment purposes. (eg. In 2004, there were only 1,500 farmer-to-farmer sales in Ontario [Ontario Federation of Agriculture].)

Consideration of non-farmer occupied farm residences:

Under the Farm Property Taxation policy, the farm residence (farmhouse) and one acre of land beneath it are classified as residential class – which means it is taxed at the municipal residential tax rate instead of at 25 percent of it (The Farm Property Class Tax Rate Program Questions and Answers, 2000-2009). Considering the fact that this one acre is not severed from the rest of the farm property, Ontario Federation of Agriculture (2008) recommended that the whole land parcel should be taken into consideration when determining the value of one acre – rather than leaving the farmers to experience unrealistic assessment values.

As important as property valuation, farmland classification is critical for farmers when being evaluated for the qualification of the Farm Property Class Tax Rate Program. This provincial tax rebate program promises eligible farmlands to enjoy favourable assessment values and property taxation that is at 25 percent of the residential tax rate established by the local municipality (Ontario Ministry of Agriculture, Food, and Rural Affairs, 1998-present). However, concerns and debates were raised regarding the criteria around how "farmland" is defined and assessed.

The Municipal Property Assessment Corporation (MPAC) is responsible for the classification of farm-related properties through assessing farmland, residence, residence site, farm outbuildings, and other buildings (Assessment Procedures for Farmland Properties in Ontario, MPAC website).

Nonetheless, unclear and inconsistent interpretations of farmland in the existing legal framework greatly reduce the transparency of the assessment process conducted by MPAC. According to Assessment Review Board (2006), "farmland" was interpreted as the land area on the ground however excluding buildings. This implies that operational agricultural facilities such as standalone greenhouses, mushroom operations, and livestock buildings, could be disadvantaged while they are being taxed at a regular residential rate disregarding their contribution to value-adding farm operations. Moreover, it is brought forth in the Assessment Act, that property characterized as "farm land or buildings used only for farm purposes" are assessed at farm rates – leaving the definition of "farm purposes" unclear and left to the discretion of the assessor to decide whether a particular activity is for farm purposes or if it goes beyond the farm purpose to the point of "producing or processing" within the meaning of industrial property class (Property Assessment and Classification Review, 2000: 24).

As a result, not only is property tax treatment of the on-farm value-retention activities being unrecognized, on-farm value-adding activities are inevitably being discouraged through a significant shift in the property tax burden to the farmers (Petrie et al., 2008).

It has been concluded that flexibility should be incorporated in the planning framework surrounding the identified five key issues and the overarching ways in which agricultural designations and land use planning practices are defined and implemented in order to achieve flexibility, allowing for agriculture and farm innovation.

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Title image from http://justfood.coop/eat-local-just-food-check-out-the-new-blog-site/
Page one image from http://www.foodandfarmingcanada.com/wp-content/uploads/2008/06/lettuce-field.jpg;
Page two image from Greenbelt Foundation, Tim Hagan
Page three image from http://www.hwdsb.on.ca/delta/departments/Geography/images/farm100.jpg
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