ON-FARM BUSINESS POLICY REVIEW
Grey County

Submitted by: Alex Clarke, Stephanie Lacey-Avon, Catherine McLean, Betty Zhao
Table of Contents

Executive Summary ........................................................................................................... 2
Introduction .......................................................................................................................... 3
Definitions ............................................................................................................................. 4
Methodology ......................................................................................................................... 6
  Interviews with Local Professionals .................................................................................. 6
Overview of Best Practices ................................................................................................. 7
Planning Analysis ............................................................................................................... 8
  A: Official Plan and Zoning By-law Requirements ......................................................... 8
  B: Site Plan Control Requirements .................................................................................. 10
  C: Types of on-farm permissible uses ............................................................................ 11
  D: Size and intensity of on-farm use relative to farm size .............................................. 19
  E: Information required for on-farm business applications ........................................... 22
  F: Siting of such uses ........................................................................................................ 23
  G: Impacts on neighboring farm and on-farm land uses .............................................. 25
  H: Policies regarding expansion ..................................................................................... 26
  I: Applicability of Provincial Guidelines (MDS) .............................................................. 27
Findings/Conclusions ......................................................................................................... 29
References ........................................................................................................................... 30
Appendices ........................................................................................................................ 33
  Appendix A- Email to Economic Development Officers ................................................ 33
  Appendix B- Email to Local Planner ............................................................................... 34
  Appendix C- GIS Map of on-farm uses within the County of Grey ................................ 35
  Appendix D- Components of a business plan ................................................................. 36
  Appendix E- County and Regional Official Plan On-Farm Business Policies ............... 40
**Executive Summary**

The County of Grey wishes to review its Official Plan policies regarding on-farm development, both with regards to agricultural-related uses as well as on-farm diversified uses. In this report, we have reviewed the comparable Official Plans from 23 Ontario Counties, all of which contain, as does Grey County, prime agricultural areas. The report also reviews the new Provincial Policy Statement, the Guidelines for Permitted Uses in Ontario’s Prime Agricultural Areas, as well as other related Provincial or regional documents. To ensure that the recommendations included dealt specifically with the issues that Grey County is facing, in particular, interviews were conducted with local planners and economic development officers from the seven municipalities in Grey County which contained agricultural lands, as well as a review of their current Official Plans. This has allowed for a comprehensive analysis of where Grey County currently stands, and what the best practices on this issue may be, allowing for strong recommendations to guide the County of Grey in adapting and updating their Official Plan, as follows;

1. Policy documents demonstrate a twofold focus on both encouraging economic development with on-farm businesses, while providing existing agricultural uses protection from any related adverse impacts.
2. The size and impact of non-agricultural on-farm businesses should remain secondary to the agricultural uses of the lot in question.
3. The approach to development should be permissive and encouraging, while keeping such development within the required bounds.
4. Consistency and certainty should be two objectives for the policies to strive for.
5. Grey County should maintain a positive policy approach, approving on-farm business development where possible.
6. Grey County should proactively include or directly reference any related material to their Official Plan, such as Provincial guidelines, to ensure clarity to developers and landowners.
7. Access to relevant documents should be made as easy as possible to applicants who are reviewing the policy framework to guide their decisions.
8. The application process should be as transparent and predictable as possible, so that developers and business owners can reliably expect the outcome.
9. In general, the geography of Grey County, while diverse, should not create significant variance in the tolerances expected, meaning that County-level policies should be applied with the expectation that they will be sufficient to most local implementations.
**Introduction**

The family of communities that make up the County of Grey share a largely rural lifestyle, with a strong focus in the agricultural sector. As the economic fabric of the County changes, these communities face changing needs and circumstances, which is creating a stronger demand for on-farm diversification, diversified-use businesses, and other agriculturally-related uses. The Mennonite community of Grey County is particularly industrious in pursuing these kinds of manufacturing-based diversified uses for their own farming properties.

The Province of Ontario has developed new Provincial guidelines in the Provincial Policy Statement (2014), to help guide and direct agricultural land use planning throughout the Province. Additionally, the County of Grey has implemented their new “Made in Grey” Economic Development Plan (2015). The combination of the increasing demand for on-farm diversification and development, and the arrival of the Provincial and County policies has led the County of Grey to revisit their related Official Plan policies.

The new Provincial Guidelines (2014) and the Grey County Economic Development Plan (2015) agree on several base principles, thus creating a clear path to meet the objectives of both documents. In both documents preserving the agricultural sector is the paramount concern while allowing for small-scale on-farm diversified uses, provided these uses are compatible with and do not negatively impact upon neighbouring farms and businesses. The Grey County Economic Development Plan also places a focus on fostering and encouraging local food initiatives, which in turn provides a strong basis for establishing the types of on-farm diversified uses that would be most desirable and which should be encouraged where possible.

New Official Plan policies can set the groundwork for a vision of Grey County as a strong market for local produce with a distinct identity within the greater provincial and national markets. By encouraging economic development in the rural and agricultural lands to foster this local identity, the opportunity exists to create a broad network of mutually-supporting businesses. This would strengthen the local brand identity as each individual enterprise will contribute to the greater vision.

This report details a comprehensive analysis of the policy framework and best practices for managing on-farm business development. In exploring this issue, interviews with local professionals were conducted, a thorough review of provincial, regional, and municipal policies was undertaken, as well as a comparative analysis of county-level policy from across Ontario.


Definitions

Agricultural uses: means the growing of crops, including nursery, biomass, and horticultural crops; raising of livestock; raising of other animals for food, fur or fibre, including poultry and fish; aquaculture; apiaries; agro-forestry; maple syrup production; and associated on-farm buildings and structures, including, but not limited to livestock facilities, manure storages, value-retaining facilities, and accommodation for full-time farm labour when the size and nature of the operation requires additional employment. (PPS, 2014)

Agri-tourism uses: means those farm-related tourism uses, including limited accommodation such as a bed and breakfast, that promote the enjoyment, education or activities related to the farm operation. (PPS, 2014)

Agriculture-related uses: means those farm-related commercial and farm-related industrial uses that are directly related to farm operations in the area, support agriculture, benefit from being in close proximity to farm operations, and provide direct products and/or services to farm operations as a primary activity. (PPS, 2014)

Normal farm practices: means a practice, as defined in the Farming and Food Production Protection Act, 1998, that is conducted in a manner consistent with proper and acceptable customs and standards as established and followed by similar agricultural operations under similar circumstances; or makes use of innovative technology in a manner consistent with proper advanced farm management practices. Normal farm practices shall be consistent with the Nutrient Management Act, 2002 and regulations made under that Act. (PPS, 2014)

On-farm diversified uses: means 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. (PPS, 2014)

Prime agricultural area: means areas where prime agricultural lands predominate. This includes areas of prime agricultural lands and associated Canada Land Inventory Class 4 through 7 lands, and additional areas where there is a local concentration of farms which exhibit characteristics of ongoing agriculture. Prime agricultural areas may be identified by the Ontario Ministry of Agriculture and Food using guidelines developed by the Province as amended from time to time. A prime agricultural area may also be identified through an alternative agricultural land evaluation system approved by the Province. (PPS, 2014)

Prime agricultural land: means specialty crop areas and/or Canada Land Inventory Class 1, 2, and 3 lands, as amended from time to time, in this order of priority for protection. (PPS, 2014)
**Specialty crop area:** means areas designated using guidelines developed by the Province, as amended from time to time. In these areas, specialty crops are predominantly grown such as tender fruits (peaches, cherries, plums), grapes, other fruit crops, vegetable crops, greenhouse crops, and crops from agriculturally developed organic soil, usually resulting from:

a) soils that have suitability to produce specialty crops, or lands that are subject to special climatic conditions, or a combination of both;

b) farmers skilled in the production of specialty crops; and

c) a long-term investment of capital in areas such as crops, drainage, infrastructure and related facilities and services to produce, store, or process specialty crops. (PPS, 2014)
Methodology

Interviews with Local Professionals

As part of the information collection and data analysis process, interviews were conducted with five planners, two economic developers, three OMAFRA employees, and one independent consultant. The planners and economic developers interviewed were employed through the following 7 municipalities within Grey County that have agricultural and rural areas: the Township of Chatworth, Township of Georgian Bluffs, Municipality of Grey Highlands, Township of Southgate, Town of the Blue Mountains, Municipality of West Grey, and Municipality of Meaford. Two urban municipalities (Hanover and Owen Sound) were not assessed for this study, as they do not have rural and agricultural lands within the County Plan.

One area of inquiry was to see what issues were currently facing the farming community in Grey County. In general, there was widespread consensus on the following specific issues:

- **Land-use compatibility** - Grey County severed thousands of rural non-farm lots back in the 70’s and 80’s.
- **The size of farms** - There is significant pressure in the farming community to expand the size of operations in order to be financially sustainable; the scale of what constitutes a financially viable farm has increasingly grown over time.
- **Pressure to specialize crops for viability** - Consumption trends are changing, with emerging demands for organic, and other specialty crops.
- **Urbanites looking for vacation homes** - This is especially true in the Blue Mountains municipality where there are urbanites looking to infringe upon agricultural land for residential use.
- **Aging demographic** - There is growing concern over how to strategize for succession planning, and to convince the next generation to re-invest in the agricultural setting.
- **The high cost of land** - Land prices overall have been increasing.
- **Land soil classifications** - These classifications have not been reviewed recently, and may have become outdated over time without subsequent review.
- **Competition** - The global market is opening up new markets, leading to pressure from large chain industries which result in the need for farmers to invest in expensive equipment to improve crop yields, improve quality, and ensure that the product gets to market in a timely fashion, to remain competitive with these global markets.
- **Roads** - Some areas of the County cannot readily transport their produce in large quantities due to deteriorating or insufficient road conditions.
As a result of these disparate pressures which the farming communities face, there are emerging trends for diversified farm use within the area in order to help supplement income. For instance, a farm-marketing specialist who works for OMAFRA has seen a move towards more adult-focused agriculture tourism. This type of venture can include sessions such as daylong culinary classes where ingredients are locally sourced from neighbouring farms, or on-farm butcher classes. There is also an increase in service-related businesses such as bakeries and bistros. Farmers are looking to encourage visitors to stay on-site longer. In addition, there are other common on-farm businesses such as roadside produce stands, wood/metal works facilities, car repair shops, and wineries.

There was no consensus from the planners that existing policies for on-farm businesses are currently in line with Grey County’s economic development vision. Some planners believed that existing policies were too restrictive and that they failed to reflect the current economic trends within the area, whereas others believed that the policies were too permissive. Some common comments were that these policies should be flexible, and not simply look to regulate and guide on-farm businesses, but to promote them.

Planning staff saw as one of the main constraining factors restricting the growth of on-farm businesses the need for zoning by-law amendments. These add a significant cost to farmers looking to expand and diversify. In order to alleviate this, suggestions were made to change the permitted uses to include small-scale commercial/industrial operations. Another recommendation was to encourage on-farm businesses on lands designated as rural rather than agricultural. This would help direct those uses away from agricultural areas, where there is a stronger need to protect the prime agricultural land.

**Overview of Best Practices**

In addition to the interviews, a review was conducted with staff of twenty-nine County and Regional governments in Ontario that contain prime agricultural land. These interviews were held to determine what Official Plan policies are currently in place to regulate on-farm businesses, with the goal of highlighting best practices. The findings have been summarized in Appendix E. The Appendix addresses in detail the following land use and policy considerations:

- permitted uses;
- size restrictions;
- minimum lot sizes;
- siting of businesses;
- impacts on neighbouring land uses;
- zoning by-law requirements;
There was a wide variety in the content and degree of detail of the on-farm business policies. Some Counties and Regions had very high level, broad policies, such as Huron County and Essex County, which provided general guidance for the regulation of on-farm businesses. Some of the Official Plans listed specific on-farm business criteria which would be addressed in the local municipal Official Plans, whereas others were less specific and simply stated that on-farm businesses would be addressed through the local official plans and zoning by-laws. Some Counties and Regions had very detailed policies to cover each type of on-farm business. Halton Region published a separate document entitled “On Farm Business Guidelines: Regional Official Plan Guidelines” (2014)) which is used to support and provide additional direction for the implementation of the Region’s Official Plan policies. The guideline reviews provincial policies and sets out detailed on-farm business policies, including types of permitted uses, general criteria and implementation tools.

Some Counties create separate policies for agricultural versus rural areas. In general, since the agricultural policies deal with prime agricultural land, land classes 1, 2 and 3, these policies were more restrictive than the rural policies in terms of the types of on-farm businesses permitted. Most rural policies state that all agricultural uses are permitted in addition to others. Other Official Plans have a general agricultural section that address all forms of development on all types of agricultural land.

Planning Analysis

A: Official Plan and Zoning By-law Requirements

A number of Counties and Regions, including Brant, Bruce, Dufferin, Durham, Essex, Frontenac, Haldimand, Lambton, Oxford, Perth and Peterborough, stated that on-farm businesses are permitted in accordance with the policies set out in the local Official Plans and Zoning By-laws. Local Official Plans and Zoning By-laws may contain provisions to regulate the following:

- the types of permitted uses;
- size of the use, scale, built form;
- compatibility with surrounding uses;
- separation distances;
- lot design;

---

1 Essex County
2 Lambton County, Leeds and Grenville County
3 Counties of Elgin, Halton, Niagara, Norfolk, Northumberland and Perth
licensing requirements;
umber of employees;
number of bed and breakfast rooms;
outdoor storage;
screening or buffering;
landscaping;
sale of goods or materials;
parking; and,
signage.

Most of the County and Regional Official Plans contained policies stating that all or certain types of on-farm businesses would be subject to a local zoning by-law amendment\(^4\) and in some cases also an official plan amendment.\(^5\) These requirements were most common for agriculture-related commercial, industrial and institutional uses, as well as renewable energy systems.

A common issue reviewed in the County and Regional Official Plans was water supply and sewage disposal. A number of areas stated that on-farm businesses cannot “require large volumes of water nor generate large volumes of effluent and shall be serviced with appropriate water supply and sewage treatment facilities” (Middlesex County, 2006, p.46)\(^6\). Elgin County indicated that home industries have to rely on the same water and sewer infrastructure as the primary use on the property. In some Counties and Regions, on-farm businesses cannot require municipal water or sewage\(^7\); therefore private water use must be reduced\(^8\) and high water uses are not permitted.

A number of County Official Plans discussed traffic and road access which are to be addressed in local Official Plans.\(^9\) Some types of on-farm businesses are required to use the same driveway as the principal use\(^10\), and others have to have direct access to an improved year-round public road that has sufficient capacity to handle the anticipated traffic\(^11\) and would not cause a traffic hazard.\(^12\)

If on-farm businesses generate substantial traffic, they must be within proximity to an arterial road or highway.\(^13\) Those located along a provincial highway will require an entrance permit.
from the Ministry of Transportation as set out in the Brant County Official Plan. In addition, these uses are required to have adequate on-site parking for the proposed use.\footnote{14 Elgin, Northumberland, and Renfrew Counties}

Local Official Plans may also outline the extent of retail sales. In some cases the retail component must remain secondary to the primary use of the property.\footnote{15 Elgin and Northumberland County} In addition, the sale of goods is often limited to those produced or manufactured on the farm\footnote{16 Halton and Waterloo County} or by surrounding local operators.\footnote{17 Niagara County} Farm wineries are also restricted to use fruit in the production of wine that consist primarily of fruit grown in the County of that farm winery operation.\footnote{18 Elgin and Prince Edward County} There is not likely any statutory support for this form of provision.

A number of Counties stated that the local Official Plans should regulate who can work for the on-farm business (property owner, farm family member or residents of the property)\footnote{19 Elgin, Norfolk, Oxford, Perth, Brant, Northumberland, and Peterborough Counties} and the number of employees\footnote{20 Essex, Elgin, Dufferin, Brant, Norfolk, and Northumberland Counties} or more specifically the number of off-farm resident employees.\footnote{21 Perth County}

**B: Site Plan Control Requirements**

In addition to complying with local official plans and zoning by-laws, a number of Counties and Regions indicated that all or certain types of on-farm businesses are also subject to site plan control to be approved by the local municipality\footnote{22 Brant, Bruce, Elgin, Frontenac, Halton, Niagara, Norfolk, Oxford, Perth, Peterborough, and Prince Edward Counties} despite the fact that an upper tier authority does not have the discretion to make site plan control mandatory at the local level.

The most common stated uses requiring site plan control were: agriculture-related commercial, industrial and institutional uses\footnote{23 Brant, Frontenac, Oxford, Perth, and Peterborough Counties} and other more specific uses such as estate wineries.\footnote{24 Elgin and Prince Edward County} These site plan agreement policies are addressed in the local official plans.\footnote{25 Middlesex County}

Site plan control is used to regulate: water supply and sewage disposal, lot grading, storm water runoff, lighting, parking and off-street loading, road entrances and exits, signage, outdoor storage, outdoor areas to be used by the public (patios), setbacks, building location, buffering/screening, fencing and
Site plan control helps to minimize the visual impact of on-farm businesses from adjacent roads and on neighbouring properties.

C: Types of on-farm permissible uses

Each county level official plan offers its own particular outlook with the definitions used to break down agricultural permitted uses. The way that these uses are formatted within these plans can also add further complications when looking to interpret their specific meaning and application. For instance, some policies referred to general uses, such as home occupations, while others listed specifics of home occupations, such as: daycare, hairdresser, and professional services.

Some permitted uses were clearly listed while others were mixed in with the other policies; in general, these were easier to read when they were listed rather than when they were scattered throughout the document, requiring a reader to search for each individually. Some of this information was found in the body of the Official Plan, others were found in the definitions section. Consistency would contribute positively to user clarity with regards to the intent of the Official Plan and related documents.

The Counties and Regions used a wide variety of terms to refer to on-farm businesses: on-farm business, secondary uses, agriculture-related uses, on-farm economic diversification, farm diversification, value added uses and secondary farm operations. Some used only one of these terms, whereas others made reference to all or most of these terms.

Most Counties and Regions indicated that on-farm businesses had to be “directly related to the farm operation and are required in close proximity to the farm operation.”

---

27 Prince Edward County
28 Lambton County
29 Haldimand and Frontenac County
30 Peel County
Three common categories used to describe varying on-farm business permissible uses were *Agricultural Uses, Agriculture-related Uses and Secondary Uses*. Despite the relevant consistency in words used to describe these categories, the permissible uses often varied quite significantly between County to County. Figure One highlights the overall frequency of the seven most commonly recurring words used for *Agricultural Uses*. To extrapolate these findings, 27 County documents were analyzed.

Similarly, the following two graphs titled *Agriculture-related Uses* and *Secondary Uses* provide a general illustration of what uses are most commonly referred to throughout most Official Plan documents. One important factor to note is that there were some Official Plans that did not explicitly distinguish between the varying agriculture categories, and, therefore, proved difficult to incorporate the findings into these graphs.
In Brant County, the specific definitions used to describe *Home Occupations* included sales outlets for agricultural products produced on the farm, farm vacation and tourism enterprises, and small-scale home industries. In Dufferin County, however, home occupations may include small home occupations conducted from the main residence and normally limited to the occupants of the property, and bed and breakfast establishments. In Wellington County, this is rendered as “small home occupations- examples include bed and breakfast, day care, hairdresser, and professional services”. The Region of Waterloo does not consider bed and breakfast uses to be a part of small home occupations, they fall under the generalized *Secondary Uses* category.

Farm-related commercial and industrial uses also differ throughout all Official Plans. In particular, in some counties, there are references to wineries, breweries, and associated uses, all under this category. In the Niagara and Peel Regions, wineries and other businesses of this nature are categorized under *Value Added Uses - Production Uses*. Within Essex County, wineries and breweries are identified as being *Agriculture-related Uses*. This variation makes it difficult to associate identified uses with the according regulations if they fall under different categories and there is a lack of consistency regarding what the selected terminology is referring to.
A preliminary document analysis was conducted to see whether or not many of the county official plans incorporated stand-alone sections that addressed permitted uses for *Rural* designated lands. The few that listed specific uses were consolidated, and the findings were collated into Figure 4 below. Not all counties outlined specific rural designation uses. The most prominent use was termed *Recreational and Tourism Uses*. Under the Northumberland County Official Plan, *Recreational and Tourism Uses* allow the following:

- Cross country ski facilities;
- Golf courses and golf driving ranges and similar open-air recreational uses;
- Campground and trailer parks;
- Tourist accommodation facilities;
- Art galleries and exhibitions; and,
- Wine-tasting establishments.

Under the Renfrew Official Plan, *Recreational and Tourism Uses* are listed as:

- Golf courses;
- Ski trails;
- Whitewater rafting; or
- Theme parks.
It is evident through these two examples that each County has its own unique landscape which is conducive to some uses and prohibitive to others. Determining which these uses are is complex, as there is quite often not one matrix that can provide guidance.

![Rural Uses Diagram]

According to those interviewed, from the permitted uses listed above the most common types of applications for on-farm businesses were small-scale industrial applications, such as car and engine repair shops, plumbing and heating workshops, and electrical and mechanical outfits. There is also a growing interest in winter vehicle storage.

In 2005, there were a total of 15 on-farm business applications in Grey County, with a fairly even percentage distribution between the two most prominent businesses, Wood/Metal Works Facilities (33%) and Commercial Kennels (27%).
Near the end of 2008 Canada faced an economic depression. This was also the year that Grey County experienced the highest number of on-farm business applications (20) from 2005-2011. Since then, over the past three years, (2012, 2013, & 2014), there has been a consistently high number of applications, with 21, 31, and 19 respectively.

There is a good range of diversity among on-farm business applications, with most years displaying between 8-12 different types of businesses from 2005-2014, with 2009 having the most diversified applications (12). However, there were, a few anomalies to this trend; in 2011 there were only five applications, and in 2014 where there were only two.
Despite the apparent diversity of on-farm business applications, Wood/Metal Works Facilities have predominantly represented the majority in any given year, with the overall percentage rapidly increasing. It was found that in 2005, Wood/Metal Works Facilities exhibited 33% of all applications, this percentile remained fairly consistent up until 2010, where it then represented 58%. Over the past few years, most notably throughout 2013 and 2014, Wood/Metal Works Facility applications have grown to a staggering 75% (of 31 applications) and 95% (of 19 applications) as shown in figure 7 and figure 8.
Figure 7

2013 On-Farm Business Applications

- Wood/Metal Works Facility: 74%
- Automotive Service Establishment: 3%
- Tractor/Machinery Repair: 3%
- Car Race Track Expansion and Adding Car Sales: 3%
- Automotive Glass Repair: 3%
- On-farm Dairy: 3%
- Cattle/Beef Yard and Self-Storage Facility: 3%
- Grain Drying Operation: 3%
- Commercial Kennel: 3%

Figure 8

2014 On-Farm Business Applications

- Wood/Metal Works Facility: 95%
- Equestrian Riding Arena: 5%
D: Size and intensity of on-farm use relative to farm size

Those who were interviewed tended to lean towards on-farm uses trying to remain small-scale relative to the farm size, as found in the following quotes:

“A lot of it relates to scale on how big the tourist operation is. Haven’t had anyone complaining about a bed and breakfast (small-scale), because it really doesn’t change anything, basically the same farm.”

“It is challenging, I would say that as long as a recreational/tourist operation is kept to bed and breakfasts and that type of scale, it would be fine.”

However, some participants agreed that there is a need for size and intensity restrictions in order to provide some order to development, but they also suggested that these size restrictions should take into account the size requirements needed for a viable, sustainable operation. Both in Wellesley and Southgate Townships, these size allowances hover around 6,000 square feet to 8,000 square feet, making them much more realistic to sustain an on-farm business.

A number of Counties and Regions had policies that restrict the size of on-farm businesses. Most policies were general by stating that the on-farm business had to be small-scale and secondary to the primary use of the property. Other Counties and Regions stated that on-farm businesses had to be limited in scale or have a limited gross floor area, yet did not specify maximum sizes. These scale limitations were set out to minimize the amount of prime agricultural land converted and ensure that the use does not exceed the needs of the community.

Niagara Region indicated that “preference is given to defining scale on the basis of the size of the facilities and relationship to the primary use of the property” (Niagara Region, n.d., p.12). Some Counties and Regions stated that the outside storage also should be limited in scale. Middlesex and Norfolk Counties stated that the gross floor area cannot exceed the size of the residential area. Perth County limits the number of home occupations to one per dwelling and only one secondary farm occupation at a time. Oxford and Brant Counties limited the business to occupy only one building on the property, and Wellington County limited the use to one lot.

31 Essex, Lambton, Middlesex, Elgin, Norfolk, Oxford, Perth, Huron, Bruce, Dufferin, Wellington, Waterloo, Brant, Niagara, Northumberland, Lennox and Addington, and Leeds and Grenville Counties
32 Peel, Durham, Peterborough, Renfrew, and Frontenac Counties
33 Dufferin County
34 Oxford, Perth, and Waterloo Counties
35 Norfolk County
36 Brant, Essex, Dufferin, Halton, Middlesex, Norfolk, and Perth Counties
Other Counties and Regions set specific size restrictions for specific uses. Estate and farm wineries have specific size limitations. Estate wineries are limited to a maximum floor area of 400 square meters for the retail and hospitality room in Elgin and Prince Edward Counties. These Counties also limit farm wineries’ on-site tasting room and retail floor space to a maximum of 75 square meters or 25% of the total winery floor area. Both Elgin and Prince Edward Counties limit the floor space for non-agricultural and non-local agricultural products to a maximum of 5%. Bed and breakfast establishments are often limited in terms of the maximum number of bedrooms, which varies by area: maximum of 3 bedrooms in Halton Region and Northumberland County and 6 bedrooms in Niagara Region.

Farm vacation homes are limited to 6 rooms in Northumberland County. Halton Region had specific size restrictions for each type of on-farm business, the maximum gross floor areas are as follows: home occupations and cottage industries maximum (100 sq. m. or 25% of the residential living area), home industries (200 sq. m.), retail uses (500 sq. m.), agriculture-related tourism (500 sq. m.). Other floor area restrictions include a maximum floor area of 90 square meters for home industries in Essex County and a maximum 375 square meters for secondary farm occupations in Perth County.

According to the Provincial Policy Statement, the size and intensity of agricultural uses in prime agricultural areas should not be limited. In other words, a municipality should not adopt policies in its planning documents to prohibit farm sizes of certain agricultural uses. However, while the PPS does not limit the intensity or siting of livestock farm operations, other provincial guidelines, such as Minimum Distance Separation (MDS, 2014) formulae requirement, should be applied.

Lot size affects agricultural viability. Therefore in all cases farm lots should be large enough to maintain flexibility of future changes in the type or size of agricultural operations. The Greenbelt Plan (2005) sets 16 hectares (40 acres) as the minimum lot size for specialty crops, and 40.5 hectares (100 acres) as the minimum lot size within prime agricultural areas. In addition to agricultural uses, PPS policies support a wide variety of on-farm businesses, although such uses need to be limited in the area as PPS requires, for the purpose of maintaining prime agricultural operations and productions, as well as controlling off-site impacts to ensure land use compatibility.

Many municipalities indirectly limit the size of on-farm diversified uses or limit the floor area of buildings/storages. Elgin, Prince Edward, Lanark Counties and Halton Region specified requirements for the size of certain on-farm diversified uses relative to the lot size. Elgin and Prince Edward Counties had policies to regulate the size of wineries. Both their policies as well as Niagara Escarpment Plan stated that a winery business may be permitted if the winery farm
parcel has a minimum of 4 hectares (10 acres), and the retained arable winery farm parcel must have a minimum of 2 hectares (5 acres) planted with vines.

The Niagara Escarpment Plan further details that the size of a winery business shall not exceed 1.5 percent of the winery farm parcel to a maximum of 25,000 square feet. Lanark County's policies implicitly stated that lot areas had to be “kept to the minimum required for site services and local development standards in order to limit the loss of prime agricultural land”. Halton Region set the minimum farm size of 4 hectares for accommodating horticultural trade uses and stated that at least 70 percent of agricultural land within the farm has to be dedicated to the horticultural planting.

Only a few municipalities set ratios of the farm lot covered by on-farm diversified uses to address the “limited in area” requirement, which is recommended in the Guidelines on Permitted Uses in Ontario’s Prime Agricultural Areas (2015). Ontario’s Ministry of Agriculture, Food and Rural Affairs (OMAFRA) introduced an approach illustrating how to calculate the lot coverage ratio (size of on-farm businesses relative to the farm size) by using the occupied footprint based on the area of a single land parcel containing the use. Recommended area calculations for on-farm diversified uses are listed below:

- Existing laneways shared by on-farm businesses are not counted;
- Area of existing buildings occupied by such uses is discounted at approximately 50 percent;
- Total area of new buildings/storage/landscape/structures/parking are counted at 100 percent;
- On-farm diversified uses may occupy no more than two percent of the farmland on which the uses are located, to a maximum of one hectare or 10,000 m².

In all cases, the regional policies require that any type of on-farm diversified uses be small scale and secondary to the primary agricultural land area. In other words, a larger lot allows a larger area for the secondary on-farm uses.

The appropriate size of on-farm diversified uses can be set in different ways, either by setting a maximum value for a range of lot sizes, or by setting a maximum proportion of the lot area, or by setting a minimum lot size threshold before permitting an on-farm diversified use. There are two examples listed in the Niagara Escarpment Plan:

- Lot size of 10 to 20 hectares permits on-farm diversified uses with a maximum size of 150 m².
- Lot size of 21 to 35 hectares permits on-farm diversified uses with a maximum size of 250 m².
Bruce, Perth, Essex County and Waterloo Region Official Plans all provide details with respect to the size of on-farm businesses relative to the lot size. Bruce County stated that newly created farm lots in the rural designation should be approximately 20 hectares (50 acres) although a smaller farm size is not prohibited if the size is suitable to the type of agricultural use and is sufficiently large to maintain for future changes. Perth County and Essex County also have similar agricultural policies which suggest farm size be large enough to facilitate flexible and efficient farm operations over the long term.

Waterloo Region’s Official Plan did not list any rules about the size of on-farm diversified uses, however, it declared the minimum lot area for both the newly created and retained farmland should be 40 hectares each, and specific approval is needed for those parcels less than 40 hectares. In addition, the Northumberland Official Plan also stated that both the newly created and retained agricultural land should have a lot area of 40 hectares each.

E: Information required for on-farm business applications

Seven Counties and Regions specified the need for technical reports or studies. The majority of these requirements applied only to specific types of uses. Commercial, industrial and institutional uses require a servicing report in Renfrew County, and planning and technical studies in Oxford County to address: size, the number of employees, outdoor storage, and the sale of products. In Dufferin County, recreational uses require an agricultural impact assessment. In Oxford County, renewable energy systems require planning and technical studies, and in Norfolk County they necessitate a noise impact study, visual impact study, Ministry of Transportation development permit (within their permit control area), and an additional study for wind farm if they are located in close proximity to an airstrip or telecommunication systems.

Leeds and Grenville County requires an impact assessment for uses that produce noise or emissions and/or involve the handling of solid or liquid wastes. Niagara Region had a four-page table, in the implementation chapter, outlining the type of information or reports that would be required for various types of applications and development scenarios.

An additional component to add as part of the application process, that may promote a more thorough understanding of what the proposed business is, would be to request for a generalized business plan. According to OMAFRA, components of a business plan include:

- Business profile and summary
- Marketing plan
- Human Resource Plan

---

38 Brant, Dufferin, Leeds and Grenville, Niagara, Norfolk, Oxford, and Renfrew Counties
Financial Plan

Business plans for secondary on-farm business applications illustrate that the applicant has conducted some background research. They help provide an overall assessment of the proposed operation along with justification as to why and where it should take place. However, it may be advisory to only request for the *business profile and summary* to be included in the application, as the other three (marketing plan, human resource plan, and financial plan) may be information that the applicant would want to keep private. Providing simply a *business profile and summary* will still facilitate the concerned planning staff gain further understanding of proposed business operations, which will in turn inform the approval decision-making process and assist in assessing the potential need for technical reports.

Currently, the Compatibility Issues section of the *Permitted uses in Ontario’s Prime Agricultural Areas* indicates that, depending on official plan policies of each municipality, the use of technical reports may be required in order to deem the application complete; consultation with the local planning authority is suggested. There is very little specificity on how the local planning authority should address these applications.

The common theme that came up in discussion with the local planners of the County is that each on-farm business application is dealt with on a case-by-case basis. Many have admitted to taking a “*common sense*” approach, although this clearly leaves room for human error or inconsistency. In addition to having a generalized business plan for the on-farm business application, a consolidated report should be created that outlines applications that have been approved in the past, and whether they required any technical reports. This can be treated as an overall guide for planners in order to facilitate informed decision-making.

Throughout this process, it is critical for planners to keep a balanced approach. A few of the planners wanted to reiterate that the cost incurred by the on-farm business applicant is already often quite high and that by mandating further technical reports, it may discourage those to initiate a venture in the first place.

---

F: Siting of such uses

According to *Guidelines on Permitted Uses in Ontario’s Prime Agricultural Areas* (2015), on-farm commercial and industrial uses should be compatible with and not hinder surrounding agricultural operations and neighbourhoods. Such uses are located on-farm but should be secondary to the principal agricultural uses, and their scale has to be limited as to not hamper the main agricultural operations. According to these *Guidelines*, the siting of on-farm diversified uses should meet two requirements.

First, surrounding agricultural uses should be able to continue to operate normally without impairment or inconvenience and such that residents’ lives are not adversely influenced.
Minimum Distance Separation formulae should be applied to control proximity of on-farm businesses to nearby livestock facilities as well as residences, in order to avoid conflicts caused by odour, noise, intensive light or other nuisance related to their operations. Potential sources of conflict between agricultural uses and on-farm businesses/residences include odour, noise, soil compaction, trespass incidents, dust, water and electricity consumptions, and traffic inconvenience (slow-moving farm vehicles on local roads conflict with increasing traffic volume brought by on-farm businesses).

Second, on-farm diversified uses should not require additional rural infrastructure or services (road level, water facilities, waste processing, and effluent utilities), and should have no negative impacts on existing services or environmental values. On-farm diversified uses operating with high water consumption and/or effluent generation may be incompatible in prime agricultural areas, and would be better suited to areas with full urban services.

Approximately half of the County and Regional Official Plans reviewed provide siting criteria for on-farm businesses. Several Counties and Regions indicated that the on-farm businesses are better be located within the existing farm buildings cluster. In addition, several stated that all machinery and equipment should be located within enclosed buildings, with the exception of motor vehicles.

Elgin and Northumberland Counties require that open storage be screened from view and located within a fenced compound. Oxford County requires that on-farm commercial and industrial uses must be sited within the same parcel as the farm operation to which such uses are related. Norfolk County indicated that on-farm businesses have to be located on the agricultural land of lower priority. Brant County has a very specific distance requirement for mushroom operations which should not be located closer than 300 meters from a residential dwelling.

Bruce County set broad siting criteria for agricultural-related commercial and industrial uses. The MDS formulae should be applied to ensure adequate distance separation between such uses and adjacent residential, agricultural, or environmentally sensitive area, in order to minimize impacts on surrounding uses. However, the Niagara Region Plan also states that agricultural-related uses which are related to surrounding farm operations, require a location in close proximity to the relevant farm operations. Perth County further detailed that MDS I and MDS II shall apply in respect to all new development in the agricultural designation, and MDS II shall also apply to the expansion of existing livestock and poultry operations.

---

39 Essex, Elgin, Perth, Waterloo, Haldimand, and Halton Counties
40 Essex, Elgin, Norfolk, Perth, Bruce, and Northumberland Counties
G: Impacts on neighboring farm and on-farm land uses

The majority of Counties and Regions stated that on-farm businesses must be compatible with and shall not hinder surrounding land uses. These businesses cannot overly disturb the agricultural land and “must be sensitive to the natural environment by minimizing impacts on water courses, wetlands, groundwater resources or other environmentally sensitive features”. In Norfolk County, on-farm businesses are not “permitted on or adjacent to Provincially Significant Features, Hazard Lands or natural heritage features”. Norfolk County had policies specifically for wind farms stating that these uses must be located on large agricultural parcels with limited residential development nearby and must have mitigation measures in place.

Any noise, dust, odour and air emissions from the on-farm business may not have an adverse impact on neighbouring properties. Certain uses may require buffering from adjacent uses by means of landscaping, fencing, a berm, wall, site design or building setbacks. Outdoor storage associated with on-farm businesses must be screened from view from the surrounding roads and neighbouring properties and in some areas it can only be temporary. The on-farm business cannot create a safety or traffic hazard and, therefore, must be located on a road suited to accommodate the nature of traffic generated. Some Counties noted that all new development has to be appropriate for the type of infrastructure available or planned, in order to avoid future unjustified infrastructure expansion. The development cannot “require significant improvements to utilities or infrastructure such as roads or hydro services” (Niagara).

Some policies were set out to ensure that on-farm businesses do not change the rural character of the area, nor alter the appearance of the residence and farming operation. In addition, the on-farm business shall primarily serve the local community.

When evaluating the impact of on-farm businesses on neighbouring farms and on-farm land uses, the majority of interviewees commonly stated that it is critical to take into account the scale of the proposed project. Interviewees, when asked what type of examples of on-farm

---

42 Lambton County
43 Bruce County
44 Brant, Elgin, Essex, Middlesex, Norfolk, and Northumberland Counties
45 Bruce and Renfrew County
46 Halton, Leeds and Grenville, Middlesex, and Norfolk Counties
47 Norfolk County
48 Essex, Leeds and Grenville, Oxford, and Niagara Counties
49 Bruce, Elgin, Essex, and Niagara Counties
50 Northumberland County
51 Halton County
52 Norfolk, Haldimand, and Frontenac Counties
businesses were potentially impacting the neighboring environment in a positive way, also consistently supported the use of small-scale ventures and those which involved either food production or food sales.

Large scale on-farm businesses that were industrial in nature were typically those regarded as having a negative impact on the neighboring environment. Common complaints from these types of uses were associated with an increase in noise, traffic, and/or air pollution. There were also similar concerns brought up in association with certain wineries, café’s, and/or bistros. One planner provided an example of how one particular winery had been recently experiencing an influx in customers and tourists. When it was first granted development approval, the capacity of this business venture was limited in scale but due to the popularity, it grew in size. The issue with this increase in customer traffic is that the road to reach this winery is a rural road, located a considerable distance from the highway. Planners are currently in discussion regarding how to address this road capacity issue, and whether or not it proves to be financially feasible to invest in improving the road conditions in order to accommodate this increase in traffic.

H: Policies regarding expansion

Only three areas had policies for circumstances where on-farm businesses grow too large.\textsuperscript{53} Lambton County indicated that local Official Plans and Zoning By-laws are encouraged to regulate the operation of on-farm economic diversification through a number of policies, one of which is “the criteria under which the activity will be allowed to expand” (Lambton County, n.d., p.26). Perth County indicated that local municipalities have to monitor secondary farm occupations to ensure that they continue to operate in accordance to the policies established in the County Official Plan. They state, “It is a policy of this Plan that any secondary farm occupation use that develops or grows beyond the secondary farm occupation use criteria established by this Plan shall be required to cease at its farm property location and should be encouraged to relocate in a nearby settlement area (e.g. hamlet, village, serviced urban area).” (Perth County, 2015, p. 58).

Niagara Region requires value added production uses to use products primarily from the farm or surrounding local farm operations, as noted earlier the legal mechanism to support this requirement is questionable, as is the enforcement means. In cases where these businesses want to expand their operating season and use products from other parts of Ontario, they may require a site specific zoning by-law amendment (Niagara Region, n.d., p.12).

There was no general consensus from those interviewed as to what they thought would be the most reasonable criteria when existing on-farm businesses wished to expand. An informal

\textsuperscript{53} Lambton, Niagara and Perth Counties
summary of the perceived availability of business park(s) within each municipality was conducted. Through analysis, it was evident that there was no consistency in access to urban business/industrial parks within the County of Grey. Each municipality has designated lands that can accommodate such uses, although they are, for the majority, unserviced, secondary settlement areas.

By keeping all operations on-farm, this provides the farmer with an opportunity to readily access both the farming operation along with the on-farm diversified uses(s). As well,

“Bringing people out to their farms is an integral part of the experience, it is an opportunity for the farmers to promote their brand, and have individuals understand what makes their business a business.”

Once operations begin to exceed a certain size, they should be encouraged to investigate the viability of moving to a nearby secondary settlement area. Some constraining factors that currently exist for farms to utilize these allocated lands are as follows:

- **Lands are not properly serviced** - Secondary settlement areas should be developed so that they are able to accommodate farm businesses.

- **Vicinity to existing farm** - Certain municipalities within Grey County have large Mennonite populations that primarily rely upon horse and buggy transportation, if these secondary settlement areas are not readily accessible, they will not be highly utilized.

Some reasons why these lands should be promoted, and better utilized:

- **Succession plan** - By moving some operations to these lands, this will facilitate the sale of the farm in the future.

- **Servicing fees** - By consolidating businesses in a centralized location, it proves to be more cost-efficient when implementing municipal services, such as roads, and water.

Understanding the main purposes of these lands is critical for future potential use. If there are components of a farming operation that require more temporary type structures, or which are commercial in nature, the use of secondary settlement areas could be a viable option. These lands could play an important role for succession planning in future farming generations.

I: Applicability of Provincial Guidelines (MDS)

From the provincial level, Ontario policy regarding on-farm business development is regulated through multiple legislative and policy documents, rather than a single comprehensive source. As a result, ensuring that county policy abides by all of these restrictions can be challenging. A thorough coverage of these principles in the county documents themselves, expanding upon
them as necessary, and citing the relevant provincial sources for further details as necessary, can make it significantly more clear as to what the county policy framework practically entails.

The most overarching policy document shaping on-farm businesses is the Ontario Provincial Policy Statement, last updated in 2014. This document provides a similar rendition of recommendations and policy guidelines as should be presented in the county-level documents as well, bringing in components from each policy source as needed. The core principles regarding on-farm business development, in the PPS, can be summed up with three words; protection, compatibility, and appropriateness.

In broad terms, while economic development is to be encouraged in rural regions, this development must, where possible, protect the existing rural and agricultural framework in which the development will be occurring. It must remain compatible with the ongoing farm processes and infrastructure that are already in situ. And it must be appropriate to the region and the location in which it is located. As such, the Provincial Policy Statement creates a framework that provides a somewhat restricted view as to what kinds of on-farm businesses are positive and which should be allowed, while in general encouraging such development wherever it can be effectively pursued.

With specific reference to the MDS, planners, along with local municipalities in the County of Grey, found that compliance with this regulation has proved to be difficult, if not nearly impossible under certain circumstances. This can be problematic as it forces those to apply for permission from the County in order to proceed. Some populations would rather simply abide by the rules and regulations put forward by the County, rather than be required to pursue special exceptions to those regulations to permit their desired development.

Another critical document that will shape much of the development throughout Grey County will be the Guidelines on Permitted Uses in Ontario’s Prime Agricultural Areas. These Guidelines are currently being reviewed, but a 2015 draft of the discussion paper is available to frame Grey County’s policy, moving forward, to ensure that County policy can reflect these Guidelines as rapidly as possible.

While it is a critical document, Grey County will need to review these Guidelines to decide where they provide sufficient protections for the prime agricultural areas in Grey County. By referencing this document directly in County policy, the recognition of these Guidelines is made apparent, allowing for the additional measures to be the primary focus of the Grey County Official Plan. Examples of such measures can be found in documents such as the Niagara Escarpment Plan, which provides strong guidelines, particularly for wineries and winery-related facilities.
Findings/Conclusions

I. The common thread throughout these policy documents, whether municipal, county-level, regional, or provincial, is a twofold focus on both encouraging economic development with on-farm businesses, provided existing agricultural uses are protected from any related adverse impacts. As such, any amendments to Grey County’s Official Plan must be consistent with this context.

II. It is clear that whatever on-farm businesses are approved for development, their size and impact should remain secondary to the agricultural uses of the plot on which they are developed. For many tourism-related uses, this may be relatively simple to accomplish, but industrial and commercial uses should see careful evaluation of their potential impacts prior to approval.

III. The approach to this form of economic development should be permissive and encouraging, while still requiring that this development lie within the expected bounds.

IV. Consistency and certainty should be two objectives for the policies to strive for. For example, an application should be expected to be approved pending the analysis of technical reports required, unless those reports raise a specific red flag that would demonstrate an issue with the proposed development.

V. By maintaining a positive policy approach to approving on-farm uses where possible, Grey County can provide a positive environment for economic development, while still retaining the capacity to ensure that this development does not negatively impact on their existing agricultural setting.

VI. Given the diversity of implementation among other county and regional documents, it is clear that Grey County can be proactive in ensuring that their Official Plan is as open and clear as possible and by ensuring that any necessary information is repeated or referenced directly, where appropriate.

VII. Applicant reviewing the policy framework should have ready access to whatever information or legislation is relevant to their application, without having to review a host of official documents to identify any possible exceptions or definitions that may apply.

VIII. By making these requirements as clear and easy to identify for developers as possible, Grey County can make the application process transparent and easily-understood, ensuring that anyone pursuing the creation of a new on-farm business is clear on exactly what requirements and limitations they will face.

IX. While there is substantial variation in the interplay of policy between the upper and lower tier Official Plans it can be said generally that the geography of Grey County should determine the degree to which the County Plan is directive as opposed to permissive. It is likely that since on-farm businesses are a County-wide issue that County-wide policies should be consistent.
References


http://weblink8.countyofessex.on.ca/weblink/0/edoc/40700/Final%20Essex%20OP%202014%20as%20modified%20by%20MMAH%20April%2028%202014.pdf

Lambton County (n.d.). County of Lambton Official Plan. Retrieved from: 

Lanark County (2012). Lanark County Sustainable Communities Official Plan: Local Priorities for a Sustainable County. Retrieved from: 
http://www.lanarkcounty.ca/AssetFactory.aspx?did=5373

http://www.lennox-addington.on.ca/official-plan.html


Niagara Region (n.d.). Chapter 5 Rural & Agriculture. Retrieved from: 

http://www.escarpment.org


Northumberland County (2014). Northumberland County Official Plan. Retrieved from: 

http://www.oxfordcounty.ca/Portals/15/Documents/CASPO/OfficialPlan/OP/3-1_Agricultural.pdf

http://www.omafra.gov.on.ca/english/landuse/permitteduses.htm


Appendices

Appendix A- Email to Economic Development Officers

Hi (informant)

My name is Stephanie Lacey-Avon and I am a graduate student in Urban Planning at the University of Waterloo. As part of this terms course requirements we are working on various planning projects within the area. My group and I have been assigned a project with Grey County planning department (primary contact: Scott Taylor) to address and analyze On-Farm Business Policy.

As you may know, for a number of reasons, this area attracts a number of on-farm businesses applications from individuals who are looking to supplement farm income.

We were hoping you, or perhaps other individuals you work with would be able to provide some further context to this area of planning within your municipality.

· From your perspective, what are the issues that the farming community is currently experiencing?
   
   · Grey County’s economic development vision is... Grey County is “open for business”. Do you feel as though the existing policies for on-farm businesses are currently in-line with this vision?
      
      o If not, what changes do you feel need to happen in order to encourage more on-farm businesses?
      
      o What kind of on-farm businesses would you like to see more of?
      
      o Are there certain examples of on-farm businesses you feel are impacting the neighboring environment in a negative way/positive way?
      
      o What are your thoughts about how recreational/tourist on-farm uses should be treated?

· Do you think that some of these on-farm businesses should relocate to a more centralized area, such as a business park?

   
   o Does your municipality currently have a business park or settlement area for these uses?
   
   o Do you perceive these to be effective? Or should there be an attempt to integrate these uses into the core of existing communities?

Your input on any or all of these questions would be great! If you would prefer I call, rather than having to answer these questions through email I can arrange to do so.

Regards,

Stephanie Lacey-Avon & Team
Appendix B - Email to Local Planner

Hi (informant)

My name is Stephanie Lacey-Avon and I am a graduate student in Urban Planning at the University of Waterloo. As part of this terms course requirements we are working on various planning projects within the area. My group and I have been assigned a project with Grey County planning department (primary contact: Scott Taylor) to address and analyze On-Farm Business Policy.

As you may know, for a number of reasons, this area attracts a number of on-farm businesses applications from individuals who are looking to supplement farm income.

We were hoping you, or perhaps other individuals you work with would be able to provide some further context to this area of planning within your municipality.

- From your perspective, what are the issues that the farming community is currently experiencing?
- Grey County’s economic development vision is... Grey County is “open for business”. Do you feel as though the existing policies for on-farm businesses are currently in-line with this vision?
  - If not, what changes do you feel need to happen in order to encourage more on-farm businesses? (policy related)
  - Are there certain examples of on-farm businesses you feel are impacting the neighboring environment in a negative way/positive way? Have you received specific complaints about certain on-farm uses?
  - What are the most common types of applications for on-farm businesses?
- Do you feel as though the Minimum Distance Separation (MDS) and Ministry of the Environment and Climate Change D-6 are applicable? Or should they be updated?
- What kind of additional studies do you think should be included in an application process for an on-farm business, ex: servicing analysis, noise or traffic analysis, etc.
- Do you think that some of these on-farm businesses should relocate to a more centralized area, such as a business park?
  - Does your municipality currently have a business park or settlement area for these uses?
  - Do you perceive these to be effective? Or should there be an attempt to integrate these uses into the core of existing communities?
- Have you come across any “best practice” examples that you would like the Grey County OP to emulate?

Your input on any or all of these questions would be great! If you would prefer I call, rather than having to answer these questions through email I can arrange to do so.

Regards,

Stephanie Lacey-Avon & Team
Appendix C - GIS Map of on-farm uses within the County of Grey

On-farm Businesses Located in Grey County 2005-2014

Data Source: University of Waterloo Geospatial Centre, Lorafacet site, Grey County Zoning By-law Amendment 2005-2014.
Coordinate System: GCS WGS 1984
Datum: WGS 1984
Units: Degree

Date: 11/30/2015
Author: Junxue Zhao & the Team
Appendix D- Components of a business plan
(Retrieved from: http://www.omafra.gov.on.ca/english/busdev/facts/08-051.htm)

A business plan is comprised of several components. These include a title page, table of contents, an executive summary and business profile, and sections outlining the marketing, production (operations), human resources management, and financial plans. No two businesses are alike and the nature of your operation will govern the emphasis you give each component. But to present to lenders your plan should contain at least some information in every section.

**Title Page and Table of Contents**

The title page includes your business name, the time period the plan covers, the date as well as a contact person, phone number and address. Make it professional - it is the first page your readers see and first impressions are important.

The table of contents lists the topics covered by the plan. As a road map it allows the reader to jump immediately to those sections of most interest.

**Executive Summary and Business Profile**

A summary is critical to capturing your reader's instant attention. It should, at a high level, outline your:

- purpose and business concept (or why you believe the marketplace needs your product or service)
- target (projections in terms of units and dollar volumes during the time period that the plan covers) and how you plan to attain them
- required financing and sources, how the funds will be used and repaid.

Also include a brief description of your company organization and ownership (for example sole proprietorship, partnership or corporation). If your corporate structure has not yet been decided, consult an accountant and lawyer or local Business Enterprise/Self Help office.

Other useful information includes company management, previous financing (by whom), proposed start-up date of operations, important details of the company's current market area, customers and trends the proposed business can build upon.

**The Marketing Plan**

In this section describe, in general terms:

- the industry in which you operate
- your strategy to penetrate or develop the target market
- how much you plan to sell
- who your customers are
- how your products will be priced
- how you will promote your product.

A full marketing plan and strategy need not be included here, but make sure to consider and evaluate different alternatives in the planning process before finalizing your marketing plan.

Sales are frequently the only revenue of a business, so investors will want to see the following information:

- The plan should show you are aware of market conditions (size and structure), the general economy and the competition.
The implications of change (or trends), new technologies, new products, different lifestyles, ability of customers to afford the
product or service.
The implications of legal or political constraints on how your products are produced and delivered.
The competitive advantage of your product or if it fills a particular niche in the marketplace.
The basis for pricing your product and service based on costs, the competition, or what the market will bear.
The geographic location where you will concentrate your promotions.
The best way to distribute your product or service to your customers (be guided by your competitors unless you know of a better way).

Make sure to address these four "P's" of marketing: product, price, promotion and place (distribution). The plan should also strategically identify where you are now, where you want to go and how you are going to get there.

Sales projection is critical. If required to make forecasts, provide at least three scenarios: "optimistic", "pessimistic" and "most likely".

The Production Plan

This is sometimes called the operating or manufacturing plan. Prepare a brief outline of your business's basic operation. Remember, what is obvious to you may not necessarily be to your readers. Consider including:
- how the product is manufactured or how the service is to be provided
- where the supplies and material will be purchased and how your product is packaged, warehoused and shipped
- what after-sales service is required (repairs, warranties, etc.)
- what land, buildings, facilities and equipment are required, including costs and financing (lease or own), renovations, local taxes and utility costs
- what employee and management plans are required, including how you intend to access skilled labour if required
- your business location and why it serves your needs, proximity to customers, suppliers, transportation costs and location of competitors
- the production capacity, turnover rates or services that can be realistically achieved with the existing or proposed plan and staff.

The Human Resources Plan

Management is critically important to the success of a business. Investors or lenders are looking for a balanced team of people to cover the important areas of management, marketing, accounting, and the technical skills to deliver on your business plan.

Human resource management requires thinking about how you will recruit, screen, motivate, train and discipline the staff you work with.
- Name the key people operating your business and outline the education or experience each (have resumes available in case they are requested).
- Explain how key areas will be handled and by whom. An organizational chart may be useful. Indicate contingency plans if a key person cannot work for an extended period of time.
Indicate any weaknesses in your management team and your strategy to overcome them and in what time frame. Training existing staff, recruiting new employees or hiring outside advisors (name them) are possibilities.

Indicate whether salary and compensation of managers and employees are competitive with the industry and whether you are offering incentives such as commissions, bonuses or profit sharing.

Name your board of directors or professional advisors and indicate how management will use their experience and guidance. Indicate the timing and frequency of board meetings.

Recognizing the contribution of employees to an organization is one key to the growth and success of a business. Outline how you intend to identify, recruit or promote key people and maintain a strong sense of collective achievement with all employees.

The Financial Plan

As the process of creating financial projections for business revenue and expenses, cash flow and financial position requires the examination of all other key components, the financial plan is the backbone of your business plan. In doing this work you will be able to describe your plan in dollars and detect any discrepancies, gaps or unrealistic assumptions made earlier. The financial plan is valuable for creditors or government agencies when evaluating your company’s needs and uses of funds. OMAFRA provides a wide range of factsheets and worksheets. See the "Sources of Information Section" at the end of this publication.

1. Income Statement: The income statement discloses annual revenues and expenses of a business over the time period covered by the plan. For an existing business, include information for at least the last one or two years.

2. Cashflow Summary: The cashflow projection may be the most difficult to prepare. Basically, it is an educated guess about when and how much money will come into and out of your business. Your cashflow forecast will enable you to decide what you can afford, when you can afford it and how you will keep your business operating on a month-to-month basis. This information is useful to indicate the projected increases or decreases of a bank loan that may be required during the year. Quarterly summaries are often adequate but occasionally monthly summaries are required for the first year of operation.

3. The Balance Sheet: The balance sheet describes the assets, liabilities, and equity of your business at a particular point in time. It is a widely used accounting statement that indicates the economic resources of your organization and the claim on those resources by creditors. This information will allow you and your creditors to compare your estimates, as well as your past performance, against industry averages.

4. Capital Sales and Purchases: Investors and lenders will require detailed information on the capital purchases anticipated during the planning period as well as information on how these assets are to be financed and their expected useful life. Capital assets include land, buildings and equipment.

5. Financing Schedule: The financing schedule or loan summary provides a snapshot view of existing and new loans that will be held by your business. Outline the interest rate being paid, frequency of payments, security given, type of loan (amortized versus non-amortized) and the expected term of the loan. For existing loans state the name of the financial institution. No one expects you to make a profit in the first month, quarter or in some cases year. There should be light, however, at the end of the tunnel. Interest on loans is repayable from your first day of operation, and you must have a return on your investment, both time and money, within a realistic time frame if your business is viable.
Supporting Documents

Supporting documents could include:
- résumés, which include training, experience, role in the business, credit background and a personal statement of net worth
- credit reports, letters of reference (personal and financial)
- names of professional advisors (technical, legal, and accounting)
- copies of any contracts, leases, or patents.

Giving Your Plan The Right Look

Compile your plan into a formal, well-organized and professional document. Your plan should:
- be 10 to 30 pages in length, typed and double spaced, with adequate margins for adding notes and questions
- place the most essential information at the front
- ensure the main components can be read in five minutes or less
- avoid jargon
- use figures, charts, tables, photographs or sketches to make your report stand out
- include headings and subheadings to improve organization, along with a detailed table of contents
- place supplemental information such as technical reports, studies, catalogues in the appendices.

Ask an outsider you respect to read your final draft and provide constructive criticism.

Conclusion

Preparing a professional business plan is work. Is it worth the time and effort? Successful businesses advocate it. Bankers and government officials demand it. Venture capitalists require it. But you are the one who will benefit the most.
Appendix E - County and Regional Official Plan On-Farm Business Policies

Please see attached Excel spreadsheet