

**COUNTY OF MIDDLESEX**  
Agriculture Strategy Report and Recommendations  
2015 -2020



# Acknowledgements

## Report commissioned by:

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## Executive Summary

Synthesis Agri-Food Network was contracted by the County of Middlesex to develop an Agriculture Sector Strategy for the County. The following report provides strategic direction and recommendations in maintaining and growing the County's Agri-food sector. The strategies and recommendations identified in this report are supported by the information revealed in assessing the Agri-food sector's economic contribution to the County (County of Middlesex Agri-Food Economic Impact Report, March 2015); this economic assessment revealed that:

- The Agri-food sector generates \$1.2 Billion in economic impact
- The Agri-food industry is the largest employer and accounts for 15.2% of total employment
- Farm employment accounts for 71% of the Corn, soybeans and hogs provided almost 50% of the total farm cash receipts in 2013
- Field vegetables for processing are a high value crop and ranked 6th largest for farm cash receipts in 2013
- The close proximity of the City of London is a unique opportunity for Middlesex

The Agri-food sector in the County of Middlesex is a very dynamic sector and is comprised of many moving parts. As well as taking this into consideration, the strategy recommendations have been built on the strengths and opportunities identified in the project's consultation process.

Agricultural production in the County of Middlesex is supported by a very conducive natural environment. The County's land base is largely made up of Class 1 and 2 agricultural land. This, along with a "micro-climate" producing sufficient heat units and precipitation – due to the proximity to the Great Lakes – allows for the production of various crops. In addition, the County of Middlesex has the advantage of being in close proximity to major transportation networks and markets; both the

401 and 402 highways and two railway lines travel through the County. Unique to the County of Middlesex is its close proximity to the City of London with a population of 370,000 which can offer significant advantages relating to labour force and consumer opportunities.

The strengths and advantages for the County of Middlesex afford various opportunities to maintain and grow the Agri-food sector. The key opportunities are:

- Processing capacity has brought increased economic activity and is a key factor for future growth of the Agri-food sector
- Local food and Agri-tourism are key opportunities in Middlesex, especially to serve consumers in London
- Entrepreneur support for new and existing Agri-food businesses is needed to bolster added-value production
- There is an opportunity for more communication and collaboration between Agri-food related groups in the region

In developing the path to achieve the growth targets, five strategies were identified that capitalize on the strengths and opportunities, in order to achieve the agricultural output goals. These strategies have been recommended in realizing the overall **Guiding Principle** of increasing agricultural employment, investment and production value on the same land base in a sustainable manner:

1. Increase Agriculture and Agri-food Processing Capacity
2. Increase Agri-Tourism, Local Food Opportunities and Niche Markets
3. Support Livestock Production Growth
4. Support Infrastructure Development
5. Enhance Government Communication and Collaboration Across the Region



## Guiding Principle

Increase agricultural employment, investment and production value on the same land base in a sustainable manner.

Strategies and Output Goals	Objectives	Actions
<p>1. <b>Increase Agriculture and Agri-food Processing Capacity</b> Supports output goals:</p> <ul style="list-style-type: none"> <li>• Increase further processing investment; on-farm and nearby</li> <li>• Maintain and increase high value crops</li> <li>• Augment field crops with higher value options</li> <li>• Increase and diversify agricultural related employment</li> </ul>	<ul style="list-style-type: none"> <li>• Retain and increase processing businesses/ investments through increased economic development to more aggressively compete in attracting new food and bio-processing investments</li> <li>• Encourage county and municipal land use policies, development fees and approval processes to be aligned and support growth of on-farm value added processing</li> <li>• Provide entrepreneurial support for Agri-food processing businesses and start-ups</li> </ul>	<p><b>A1</b> – Create a County of Middlesex agriculture specialist role</p> <p><b>A2</b> – Create an Agriculture Advisory Committee</p> <p><b>A3</b> – Review the County of Middlesex’s Official Plan, fees, and application processes</p>
<p>2. <b>Increase Agri-tourism, Local Food Opportunities and Niche Markets</b> Supports output goals:</p> <ul style="list-style-type: none"> <li>• Increase value added production and on-farm direct sales</li> <li>• Maintain and increase high value crops</li> <li>• Augment field crops with higher value options</li> <li>• Increase and diversify agricultural related employment</li> </ul>	<ul style="list-style-type: none"> <li>• Increase promotion of agri-tourism businesses and local food to consumers</li> <li>• Support Agri-food education to increase the understanding of farm and food systems among consumers</li> <li>• Collaborate with producers to develop products to meet local food market demand</li> <li>• Create an inventory of Agri-food assets and resources in Middlesex including agri-tourism, livestock, equine, etc.</li> </ul>	<p><b>A4</b> – Increase promotional support and networking opportunities for agri-tourism and local food</p> <p><b>A5</b> – Actively participate in local food initiatives</p> <p><b>A6</b> – Develop programs to support Agri-food entrepreneurs</p>
<p>3. <b>Support Livestock Production Growth</b> Supports output goals:</p> <ul style="list-style-type: none"> <li>• Maintain and increase livestock production</li> <li>• Increase value added production and on-farm direct sales</li> <li>• Increase and diversify agricultural related employment</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage municipal land use policies, development fees and approval processes to be aligned and support continued livestock production</li> <li>• Increase outreach and communications to stakeholders and residents on the importance of livestock production in Middlesex</li> </ul>	<p><b>A7</b> – Develop a Community Improvement Plan related to agri-tourism and the agriculture sector</p> <p><b>A8</b> – Create an Agri-food asset map of resources including agri-tourism, local food, livestock and equine</p>
<p>4. <b>Support Infrastructure Development</b> Supports output goals:</p> <ul style="list-style-type: none"> <li>• Increase further processing investment; on-farm and nearby</li> <li>• Augment field crops with higher value options</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that broadband internet infrastructure is expanded and continually upgraded</li> <li>• Ensure transportation infrastructure is continually upgraded to meet the growing needs of the Agri-food sector</li> <li>• Investigate feasibility of establishing an inter-modal rail transportation terminal in Middlesex as a potential future opportunity</li> <li>• Investigate equine sector needs and opportunities for business expansion</li> </ul>	<p><b>A9</b> – Undertake study to grow the County of Middlesex’s equine industry</p> <p><b>A10</b> – Monitor feasibility for future development of an inter-modal rail terminal</p> <p><b>A11</b> – Investigate feasibility study for abattoir in conjunction with nearby municipalities</p>
<p>5. <b>Enhance Government Communication and Collaboration Across the Region:</b> Supports output goals:</p> <ul style="list-style-type: none"> <li>• Increase value added production and on-farm direct sales</li> </ul>	<ul style="list-style-type: none"> <li>• Foster more communication between Middlesex, Municipalities, City of London, London Chamber of Commerce Ag Committee, LEDC, and other organizations to enable collaboration, business growth and local food awareness</li> </ul>	<p><b>A12</b> – Support improved access to high-speed internet</p> <p><b>A13</b> – Conduct a five year review of the Agriculture Strategy in 2020</p>



# Project Overview

Based on recommendations from the County of Middlesex’s current economic development strategy, the County undertook a project to develop a strategy specific to the agriculture sector with the goal of sustaining and growing the industry. The County of Middlesex contracted with Synthesis Agri-food Network for this assignment. This project required the completion of two distinct, yet connected, components – an in depth economic impact report on the contribution of the Agri-food sector as well as a strategy report that recommends an actionable plan for maintaining and growing the sector in the short and long term (this report).

This report supports two of the recommended actions identified in the County’s current economic development strategy<sup>1</sup>:

- Develop an Agriculture/Agribusiness sector strategy that provides clear direction on matters related to the growth and sustainability of the agricultural economy in the County. The strategy should:
  - ♦ Assess the impact of the agriculture/agribusiness sector in Middlesex County – refer to *County of Middlesex Agri-Food Economic Impact Report March 2015*
  - ♦ Identify and prioritize opportunities related to local food, value-added agriculture and supply chain development

These two actions, identified above, support the County of Middlesex’s goals and objectives as it pertains to the County’s economic development strategy:

GOALS	OBJECTIVES
Goal 1	
A Supportive Environment for Business and Investment	Enhance the County’s competitive advantage for attracting and retaining business and investment in its traditional and emerging sectors
Goal 2	
A Proactive and Targeted Approach to Business Growth and Attraction	Implement an investment attraction program focused on sector opportunities with a history of competitiveness and export orientation or demonstrate potential for growth.
Goal 3	
A Commitment to Community Sustainability and Growth	Build community capacity for economic growth and development through effective leadership and communication

<sup>1</sup> Millier Dickinson Blais - County of Middlesex Economic Development Strategic Plan



The process to develop the strategy included the following three steps:



The main project activities required in the completion of this strategy (including the economic impact assessment) were as follows:

- Economic Impact Report (March, 2015)
  - ♦ Data collection for the County of Middlesex
  - ♦ Data analysis to calculate economic impact
- Background Research and Environmental Scan
  - ♦ Consult local and regional stakeholders through the facilitation of 2 Focus Groups
  - ♦ Consult local stakeholder and business leaders through in-person and telephone interviews
  - ♦ On-line survey of farmers, agri-businesses, and local government representatives to collect their impressions on strengths, opportunities, and barriers
  - ♦ Review of other municipalities for best practices and successful plans
- Strategy Development and Report Structure
  - ♦ Provide a background of the County of Middlesex including highlights from the County of Middlesex Agri-Food Economic Impact Report March 2015
  - ♦ Research and provide a high-level scan of the agriculture and food trends which could impact the Agri-food sector in the County of Middlesex
  - ♦ Determine strengths, opportunities, barriers, and strategic priorities for maximizing economic potential for the agriculture sector based on consultation findings
  - ♦ Develop an action plan required to maintain the current economic activity and achieve growth in the sector based on the identified agriculture sector strategy



# Report Structure

The feedback and insights gathered during the consultation process have been combined into the finding and recommendations in this report. The flow of the information in this report is as follows:



# COUNTY OF MIDDLESEX BACKGROUND



## County of Middlesex Background

The County of Middlesex is an upper-tier municipality comprised of eight (8) local municipalities covering an area of 285,000 hectares, with a population of approximately 73,000 people. The County is situated in the heart of Southwestern Ontario and is bisected by two major transportation routes, Highways 401 and 402. Middlesex has some of the richest agricultural lands in Southwestern Ontario and has direct access to two major border crossings to the United States: Windsor/Detroit and Sarnia/Port Huron; and good access to Fort Erie/Buffalo.



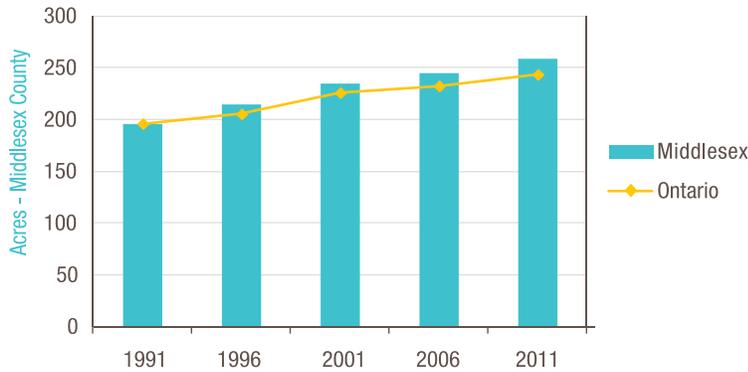
As noted earlier, the County of Middlesex is comprised of the following lower-tier municipalities:

- Adelaide-Metcalf
- Lucan Biddulph
- Middlesex Centre
- North Middlesex
- Southwest Middlesex
- Strathroy-Caradoc
- Thames Centre
- Newbury

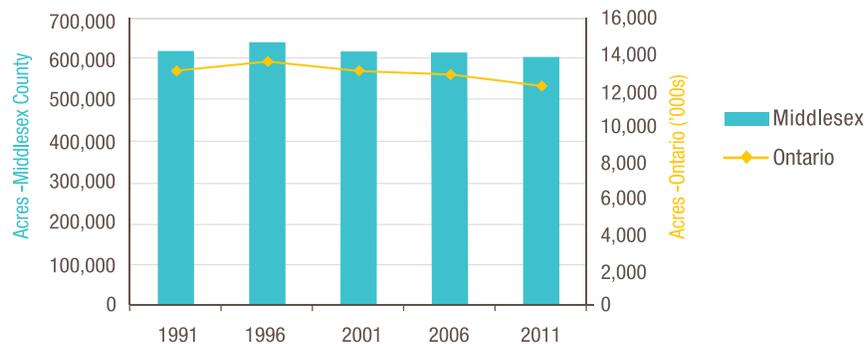
The foundation of agriculture in the County of Middlesex is cash crops, hogs, poultry and dairy. The first section of the report describes the major crops grown in the County and their distribution across the lower-tier municipalities. There is also significant production of fruit and vegetables in the County. Livestock production in the County is a key economic contributor; the pattern of livestock production differs depending on the species examined.



### Trend in Average Area of Farms 1991-2011, Census of Agriculture



### Trend in Total Area of Farms 1991-2011, Census of Agriculture



Note: The increase in total farm area in 1996 reflects a change in the definition of farms to include Christmas tree production and commercial egg hatcheries.

The County of Middlesex is a microcosm of the overall provincial trends in the number and size of farms. The number of farms is declining and the average size is increasing. Farm size in the County of Middlesex is increasing slightly faster than the provincial average. In 1991 the average farm size in both Ontario and the County of Middlesex was 196 acres. By 2011, the average farm size in the County of Middlesex had grown to 259 acres as compared to 244 acres for the province as a whole.



# Economic Impact of Agri-food Sector

Synthesis Agri-Food Network was contracted by the County of Middlesex to develop an Agriculture Sector Strategy for the County of Middlesex. As part of the development of this strategy an economic impact assessment of the Agri-food sector in the County of Middlesex was required. The following section summarizes the economic contribution the Agri-food sector makes to the County of Middlesex’s overall economic condition.

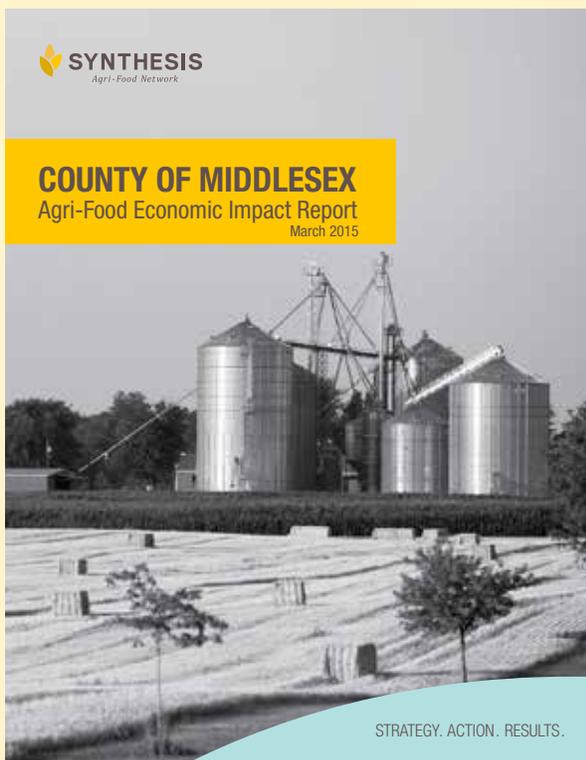
**The Agri-food sector in the County of Middlesex generates \$1.2 billion in economic impact**

Agri-food is a cornerstone of the economy of the County of Middlesex with over \$1.2 billion in total economic impact. This extends to \$547 million in Gross Domestic Product, 7,822 total jobs and \$290 million in wages and salaries.

Location Quotient is a measure of local concentration of an industry relative to the economy as a whole. Provincial Location Quotient (PLQ) compares the relative concentration in the local region to the concentration in the provincial economy. When PLQ is greater than one, the industry is more prevalent in the local economy than in the provincial economy as a whole. Inversely, when the PLQ is less than one, the industry is less prevalent than in the provincial economy as a whole.

Using this measurement it is clear that the Agri-food industry is a clear “sweet spot” for Middlesex. The PLQ for Agri-food is over 4, compared to all other major industry groups with a PLQ of less than 1.5.

$$\text{Provincial Location Quotient} = \frac{(\% \text{ of local economy in industry})}{(\% \text{ of provincial economy in industry})}$$



*For more details refer to the  
**County of Middlesex  
Agri-Food Economic Impact  
Report March 2015***



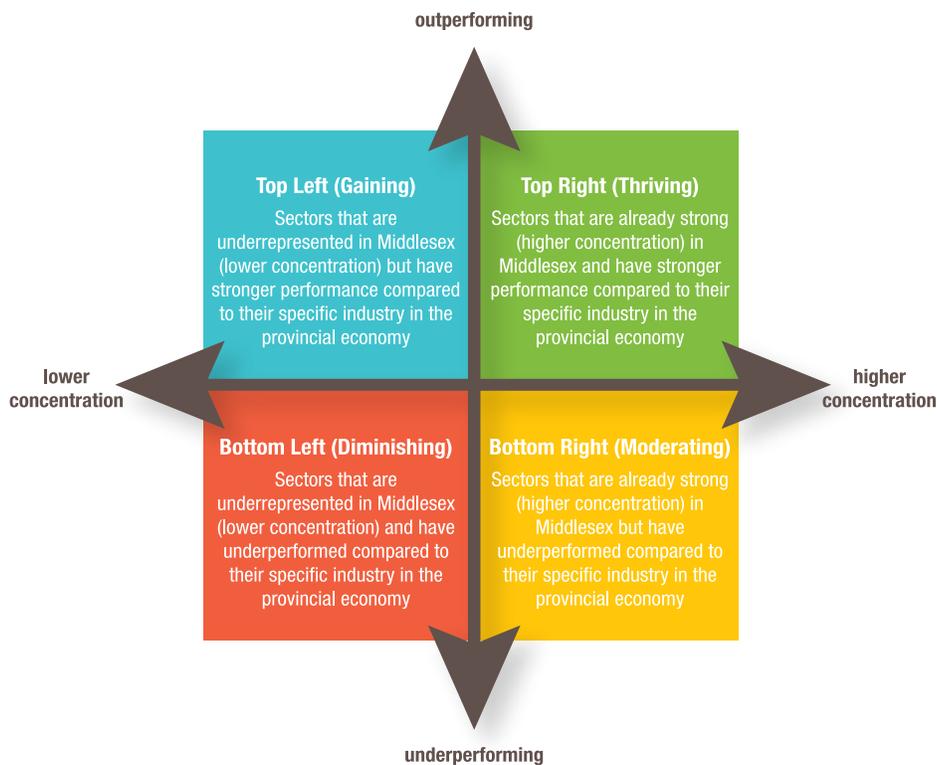
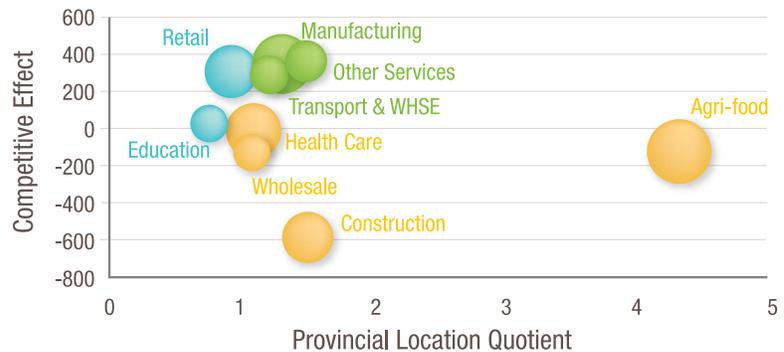
However, according to the analysis, the industry is Moderating (as opposed to Thriving). Employment in the industry is declining, including in the processing sector, and its PLQ has declined since 2001. These trends are not unique to the County of Middlesex as similar trends are seen in bordering counties as well.

The Competitive Effect provides a relative measure of performance of an industry over a period of time. If the Competitive Effect is positive, then there are more jobs in the industry at the end of the period than would have been expected based on the change in the economy as a whole and the performance of the industry in the economy as a whole. A positive Competitive Effect can either mean the industry gained more jobs than expected or it lost fewer jobs than expected. If the Competitive Effect is negative, then there are fewer jobs in the industry at the end of the period than would have been expected based on the change in the economy as a whole and the performance of the industry in the economy as a whole. A negative Competitive Effect can either mean the industry gained fewer jobs than expected or it lost more jobs than expected.

Using these two indicators, sectors can be divided into four general categories:

**Competitive Effect versus Provincial Location Quotient Middlesex County 2001-2014**

All Industries 2 Digit NAIC >1,400 jobs





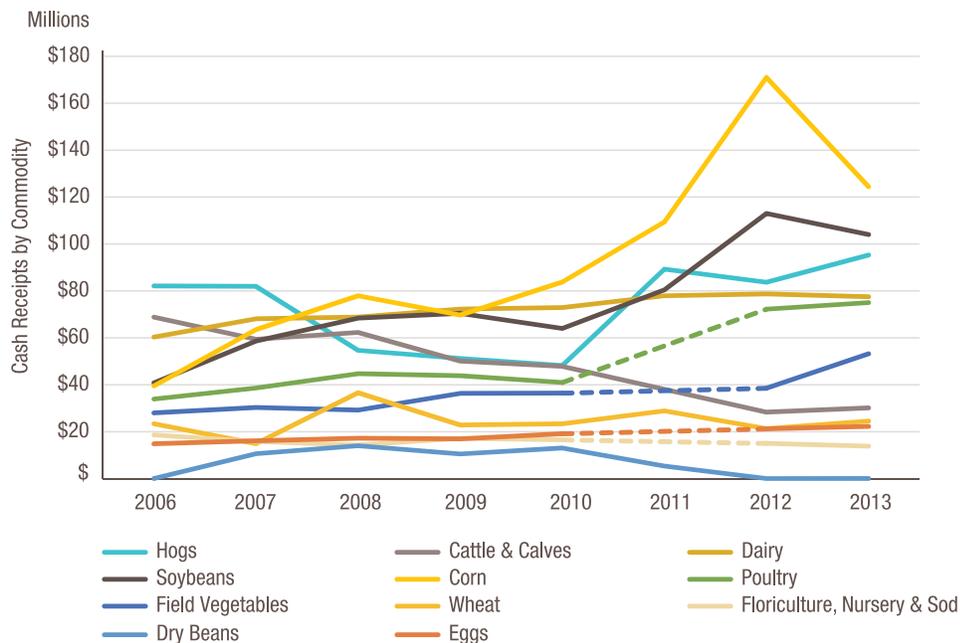
From an economic development perspective, the strategies for a particular industry differ depending on the classification.

- Thriving industries - the focus is on sustaining the competitive advantages the region provides
- Moderating industries - the focus is on understanding what factors are reducing the competitive advantage of the region and trying to ameliorate the reduction, if possible
- Gaining industries - the focus is on identifying the factors that are creating the competitive advantage for the industry in the region and attempting to accelerate the growth of the industry
- Diminishing industries - generally are not the focus of economic development programs

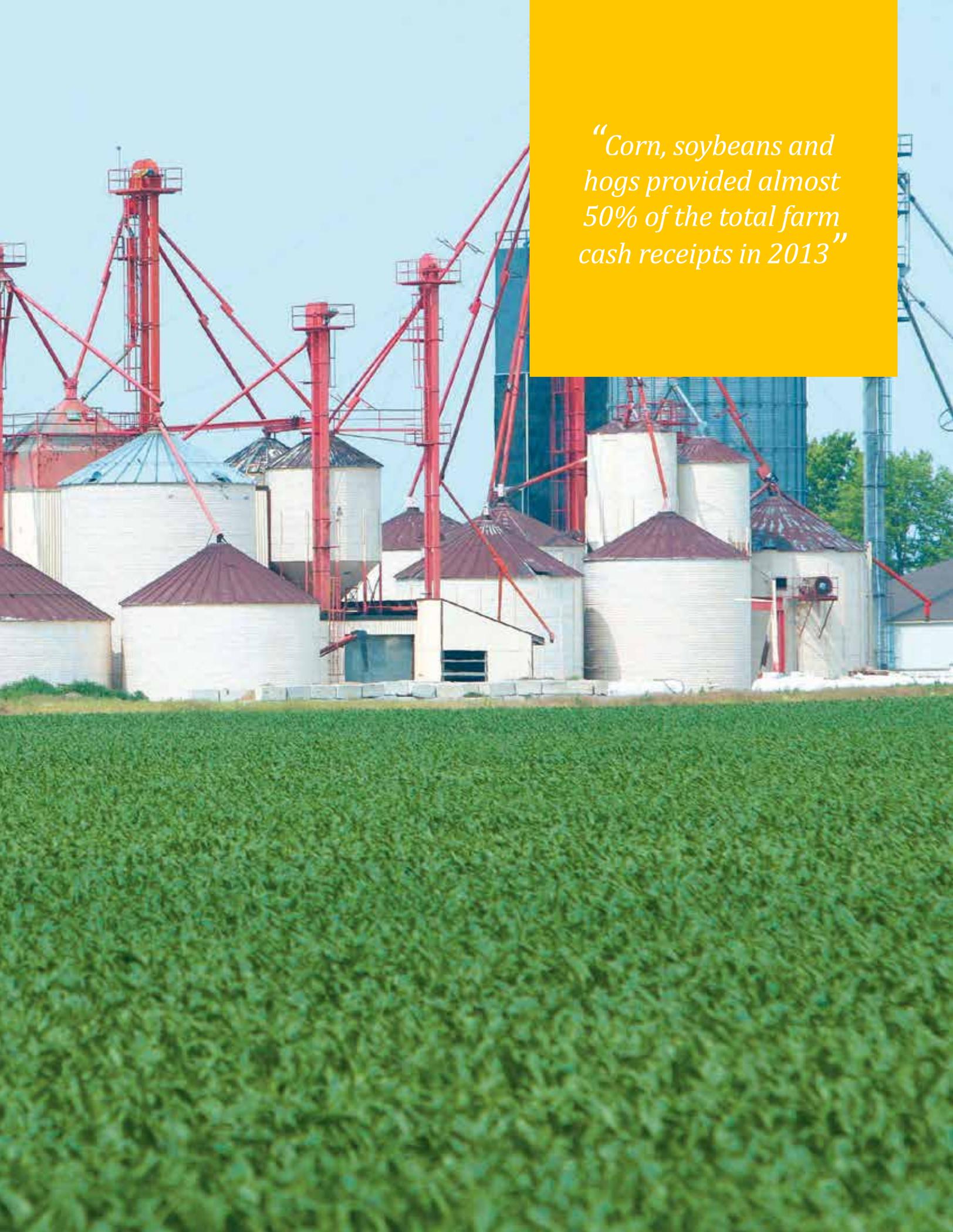
The proximity to the City of London is a significant factor in Middlesex County's economy. The employment profile complements the County of Middlesex. Employment in Middlesex is predominantly in primary production while London's employment is predominantly in Agri-food processing. Together the Middlesex / London region offers a solid base across the entire spectrum of the Agri-food industry.

### Farm Cash Receipts for Main Commodities

County of Middlesex, OMAFRA



The complexion of agriculture in the County of Middlesex has changed somewhat in the last decade. The five main commodities: corn, soybeans, swine, dairy and poultry, represent a consistently large share of total farm cash receipts for the County. Any year to year changes in their relative positions have been driven primarily by changing commodity prices. For example, the two upward spikes in total farm cash receipts are directly related to cash crop (corn and soybean) price peaks in the same timeframes. Farm cash receipts for supply managed commodities, such as poultry and dairy, have been on a steady gradual increase since 2006. The beef sector is one sector that has been in decline over the period, consistent with provincial trends. Farm cash receipts for beef production in Middlesex have declined by over 50% since 2006.



*“Corn, soybeans and hogs provided almost 50% of the total farm cash receipts in 2013”*

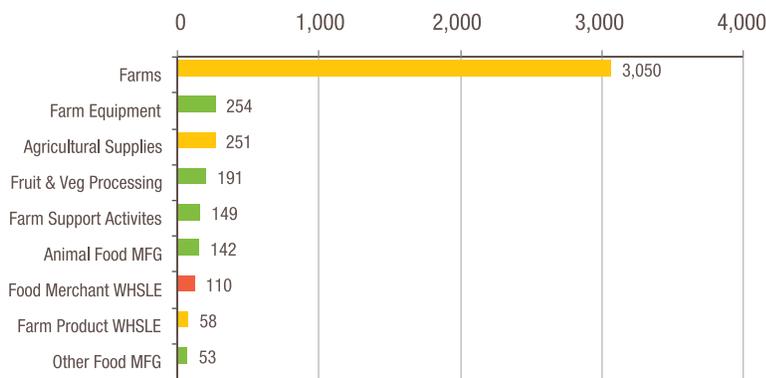


Agricultural production and farm receipts fluctuate from year to year based mainly on commodity prices (demand). The previous chart illustrates the changes in farm cash receipts for the major commodities produced in the County of Middlesex from 2006 to 2013.

The Agri-food industry—primary production through to food processing—is the largest employer in the County of Middlesex and accounts for 15.2% of total employment. Employment in the County is focused on primary production with farm employment accounting for 71% of all Agri-food jobs.

The following chart shows the employment within each sector, colour-coded by the classification. Employment in primary agriculture (farms) within the County of Middlesex vastly exceeds employment in other sectors and is classified as Moderating. Although the number of jobs held in other sectors are much lower compared to farm jobs, many sectors are classified as Thriving; this includes Farm Equipment, Fruit and Vegetable Processing, Farm Support Activities, Animal Food Manufacturing, and Other Food Manufacturing.

**2014 Jobs, Middlesex County 2001-2014**  
**Agri-Food Industry Sectors > 50 jobs**



## *County of Middlesex Agri-food At A Glance*

- The Agri-food sector generates \$1.2 Billion in economic impact
- The Agri-food industry is the largest employer and accounts for 15.2% of total employment
- Farm employment accounts for 71% of the total Agri-food jobs
- Corn, soybeans and hogs provided almost 50% of the total farm cash receipts in 2013
- Field vegetables for processing are a high value crop and ranked 6th largest for farm cash receipts in 2013
- The Agri-food industry has a Provincial Location Quotient (PLQ) rating of over 4, while all other major industry groups have a PLQ less than 1.5
- The close proximity of the City of London is a unique opportunity

# AGRICULTURE AND FOOD TRENDS



# Macro Trends Impacting the County of Middlesex Agri-food Sector

In order to develop more rigorous recommendations for growing the Agri-food sector in the County of Middlesex, Synthesis identified global, national, and provincial macro trends which could potentially impact the County's Agri-food sector.

## Weather and Climate Change

Recent years have seen more variability in daily/seasonal weather conditions with records set relative to long-term climate data. Highly variable and extreme weather conditions make agricultural production more challenging. According to the Ontario Climate Change Data Portal the annual mean temperature in South Ontario is forecasted to jump from [5,9]°C in 1960-1990 to [11,15]°C in 2065-2095.<sup>2</sup>

Long-term climate changes could be both detrimental and beneficial to the agricultural industry in the County of Middlesex. Warmer temperatures could increase the range of crops that can be produced such as higher yielding field crops and new horticulture crops. However, warmer temperatures could also increase moisture stress, extend the range of pests and diseases and make weather forecasts less reliable. Warmer temperatures are also expected to present both benefits and challenges to livestock operations.<sup>3</sup> Warmer winter weather lowers feed requirements and reduces energy costs. However, summer heat extremes can adversely affect animals through increased livestock deaths, lower dairy production, and weight gain.

Recently, Ontario's Premier announced Ontario will pursue the establishment of a cap and trade system to address climate change by limiting the sourced of greenhouse gas emissions in Ontario. Agriculture is involved with this system, and if offsets are included as part of the plan, there could be an opportunity for farmers in the future.

## Education and Skilled Workforce

Education and training are a continuous need in the agri-business industry to properly support farmers while implementing new technology.<sup>4</sup> New technologies and evolving consumer needs have changed the way that the agri-business industry operates today. Agricultural production methods and equipment are becoming increasingly sophisticated. Finding labour with the necessary technological and agricultural skills will continue to be a challenge for the industry. Ontario businesses in the agriculture and food industry are reporting more job openings than qualified people to fill the roles.<sup>5</sup>

## Technology Use

The use of digital technology and software in agriculture is advancing at an unprecedented rate. Precision farming, variable rate technology in crops, biotech enhanced crops, robotics and automation on farms are all examples of technology currently being used by farms and the agri-business industry in the County of Middlesex.<sup>6</sup> High precision guidance and real-time sensors are used to customize planting location, distance, and depth or deliver inputs by location and amount.

## Farm Land Values

Farmland values in Ontario have increased in value at a high rate over the past 4 years, which continues the long term trend of annual increases in value. From 2010 to 2014 land values in Middlesex County have averaged an annual increase of 19.88% according to a report by Valco Consultants.<sup>7</sup> A Remax Realty farm report indicates that farms within the London-St. Thomas area, including Middlesex County, sold for between \$8,000 and \$15,000 per acre.<sup>8</sup> Higher prices were usually reserved for livestock operations in the region's north.

The following graph shows the land values, high and low sales, for Middlesex County each year from 2010 to 2014.

<sup>2</sup> Ontario Climate Change Data Portal [www.ontarioccdp.ca](http://www.ontarioccdp.ca)

<sup>3</sup> Natural Resources Canada

<sup>4</sup> OABA Economic Impact Analysis - MNP

<sup>5</sup> University of Guelph - News

<sup>6</sup> OABA Economic Impact Analysis Summary Report

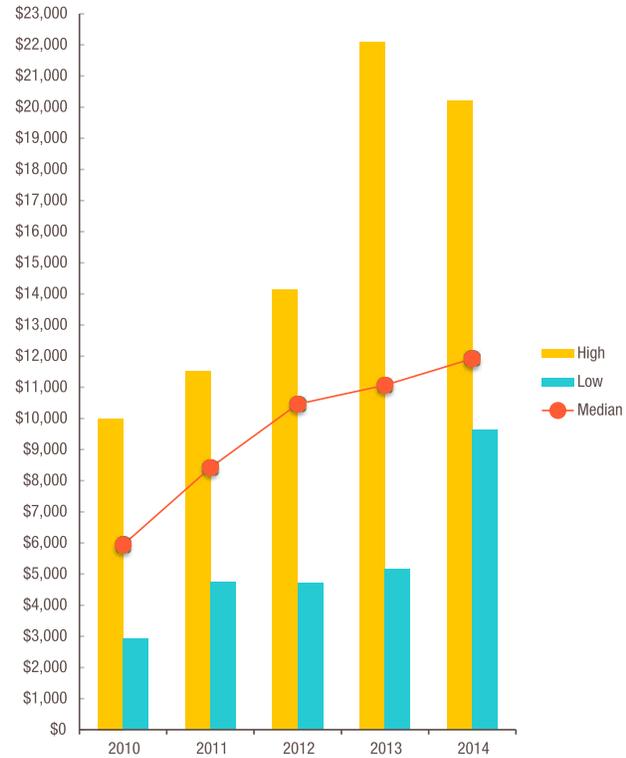
<sup>7</sup> Valco Consultants - Southwestern Ontario Land Values 2010-14

<sup>8</sup> REMAX - Farm Report 2014



Rising land sale and rental rates and high commodity prices are challenging Ontario farmers. As indicated above, farmland values compiled by Valco Consultants show that median farmland prices between 2010 and 2014 in the County of Middlesex approximately doubled, from about \$6,000/acre to about \$12,000/acre. The Valco study indicates that some land traded at prices well in excess of this median level. Thus, farm gross margins above historical levels will be required to cover and support the increased land prices in the County of Middlesex. Crop producers with recently negotiated multi-year cash rental agreements will be challenged to achieve former margins.

Middlesex County Land Values 2010-2014,  
Source: Valco Consultants - Southwestern Ontario Land Values 2010-2014

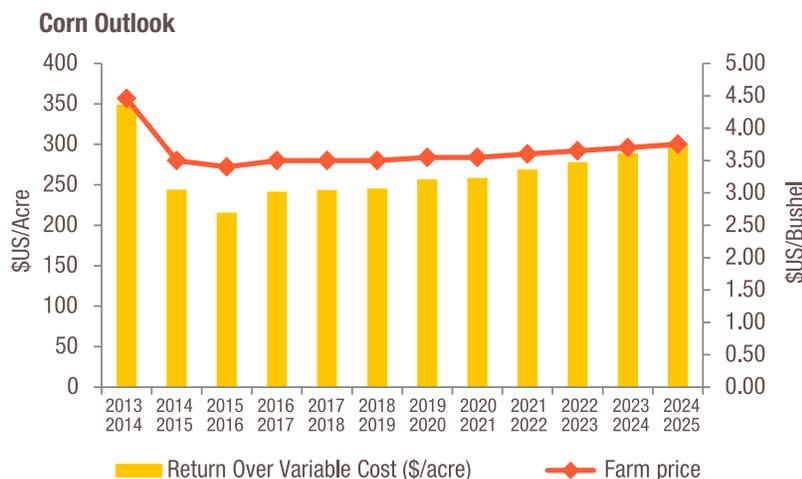


### USDA Long-Term Outlook 2015

In February 2015 the US Department of Agriculture (USDA) released its long-term outlook projections for major agricultural commodities. These projections are a well respected forecast of future economic conditions in the agricultural economy in North America. The figures below provide baseline data and forecasts for the following key commodities in Middlesex; corn, soybeans, cattle and hogs.

### Corn: US Corn Long-Term Outlook

Corn prices and margins are expected to decline from the baseline of 2013/14 out to 2015/16, stabilizing and then gradually increasing out to 2024/25. Higher corn prices and greater yields are expected to increase returns to \$250 to \$300/acre. The increasing cost of inputs is a factor that is expected to reduce margins to some extent in the near term.



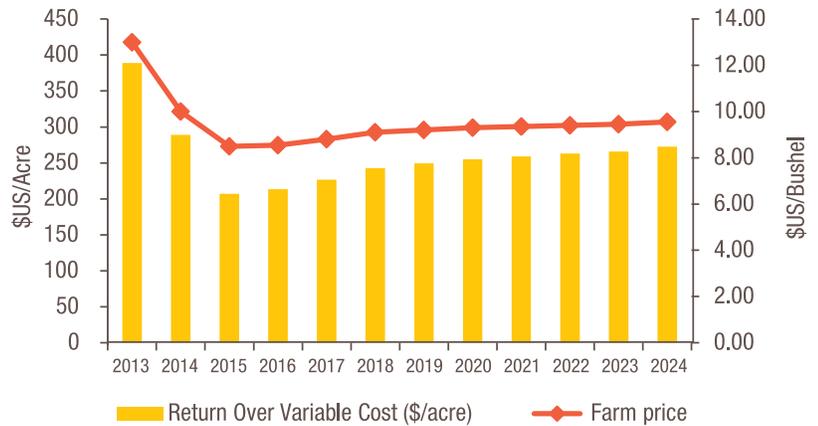


### Soybeans: US Soybean Long-Term Outlook

Soybean prices are expected to decline out to 2015/16 compared with baseline, and then increase gradually out to 2024/25. Returns over variable costs are expected to stabilize and then increase; returns for soybeans are generally expected to fall below returns for corn.

The livestock commodities that are integrated with the US are cattle and hogs; the dairy and poultry/egg industries are not integrated with the US market.

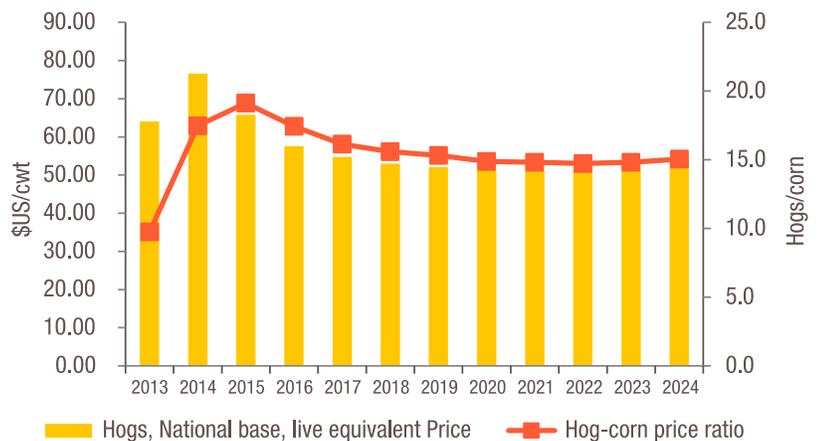
#### Soybeans Outlook



### Swine: US Hog Market Long-Term Outlook

Hogs have the highest annual farm cash receipts of any livestock species in the County of Middlesex. The hog (swine) outlook indicates a decrease in price relative to 2014 but a stable price pattern for the future. The hog-corn price ratio (indicator of gross profitability) is expected to stabilize at around 15; although in the lower range of long-term history.

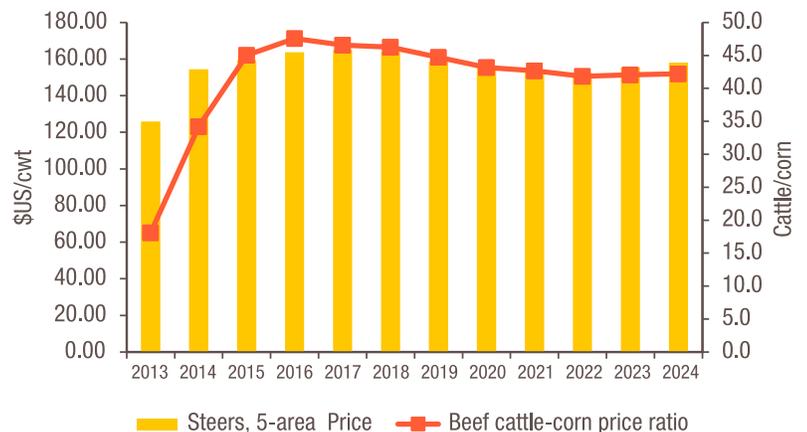
#### Swine Outlook



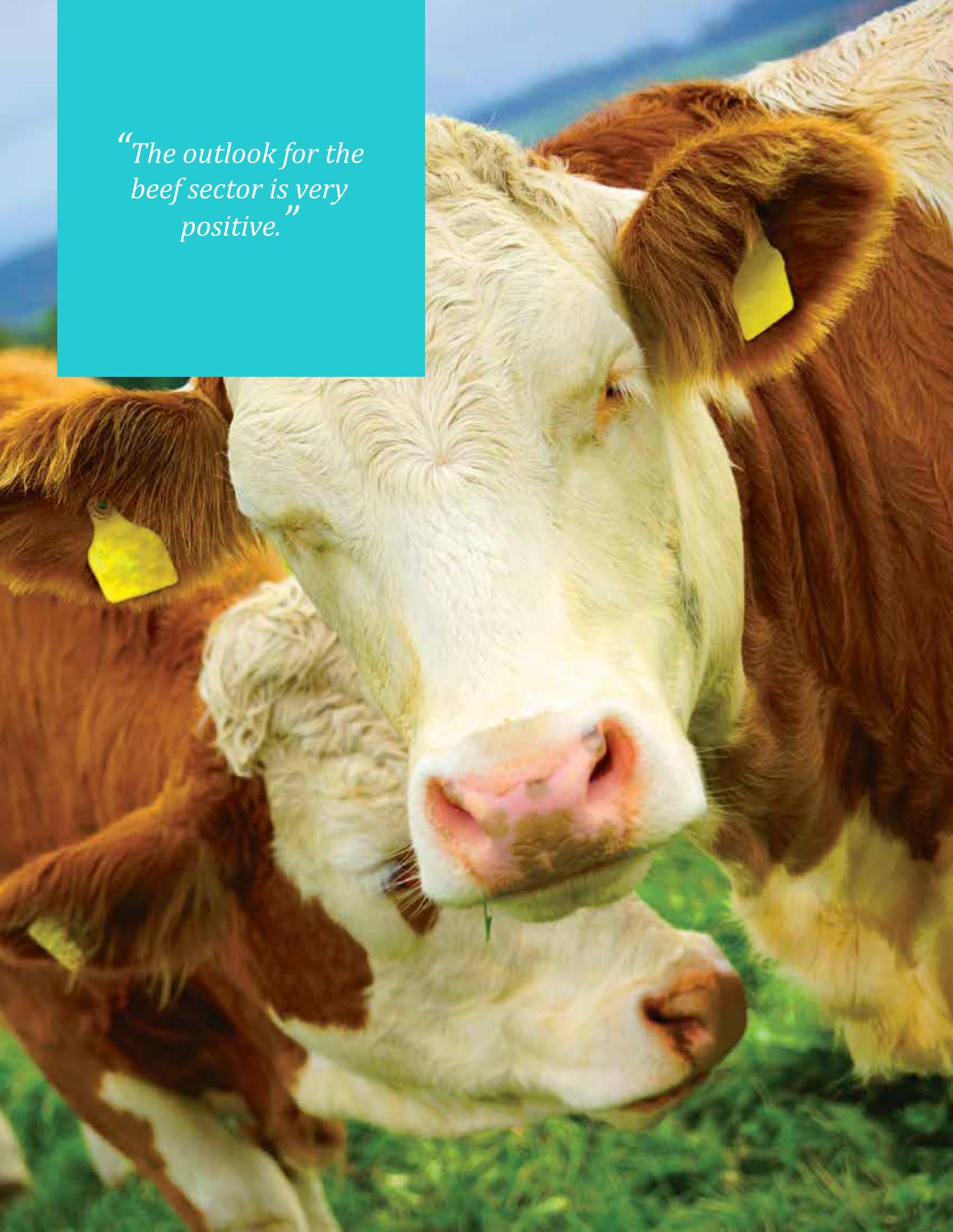
### Cattle: US Cattle Market Long-Term Outlook

Beef cattle production has decreased in recent years in the County of Middlesex but, as identified by the Steering Committee, has opportunities for growth in the future. The outlook for the beef cattle sector is very positive as a whole, especially positive for the cow-calf sector. Projected prices for slaughter cattle in the five-area region of the US (Texas/Oklahoma/New Mexico; Kansas; Nebraska; Colorado; Iowa/Minnesota) are expected to remain exceptionally high compared with 2013 well out into the future and is expected to be accompanied by an exceptionally high cattle/corn price ratio. The beef cattle/corn price ratio (an indicator of gross margin in cattle feed) suggests a potential for a very high margin in cattle feed in the future.

#### Cattle Outlook



*“The outlook for the  
beef sector is very  
positive.”*





## USDA Outlook Summary

The USDA long-term outlook data provides the best available information on which to view the future prospects for the primary Agri-food economy for key commodities produced in the County of Middlesex. The USDA long-term outlook connects a variety of economic measures including macroeconomic conditions, technological progress and trade prospects. The tool's one limitation is that it cannot account for unanticipated changes such as a drought that could change the entire outlook. With this limitation acknowledged, the outlook provides some important considerations for Middlesex County:

- The outlook is predicting lower prices and lower gross returns compared to the exceptional prices of the last few years
- The hog outlook could also be perceived as positive. While hog prices are expected to decline in 2015, the weaker Canadian dollar will provide additional revenue for Canadian producers and provide a competitive advantage compared to US producers. Hog production in Middlesex is generally combined with field crop production which offers protection from price hikes for purchased feed. Hog production in Middlesex can be facilitated through a supportive municipal environment for development. For example, the County could establish expedited permitting processes for new and expanded facilities.
- The outlook for cattle also appears to be positive. This is consistent with a structurally short (low) beef cow herd in North America and the slow rate at which the herd is rebuilding itself to meet demand. With lower and stable corn prices, it suggests very positive cattle feeding margins well out into the future. North Middlesex is home to a number of large cattle feeding operations, and

a municipal environment supportive of the retention and expansion of these operations could help them profit from this strong market outlook and increase the economic activity in the County.

## Export Markets

Global population growth is expected to increase demand for food which should lead to positive opportunities for the Agri-food sector. World population is expected to increase to 9 billion by 2050 creating greater demand for food and new market opportunities for Canadian agriculture.<sup>9</sup> The growing middle class in emerging economies (e.g. China, India) is increasing demand for higher value food products (e.g. meat, fish, poultry, dairy).

Location and logistics are a major strength of the Ontario market, along with agricultural resources not available or abundant elsewhere<sup>10</sup> Ontario's Agri-food exports and imports both hit record highs in 2014 of \$12.5 billion and \$23.4 billion respectively, increasing from \$11.6 billion and \$21.12 billion respectively, in 2013.<sup>11</sup> The top four exported commodities were as follows:

- Grain product exports increased by 16.4% between 2012 and 2014
- Vegetable exports increased by 23.8% between 2012 and 2014
- Red meat exports increased by 31.7% between 2012 and 2014
- Oilseed exports increased by 5% between 2012 and 2014

The federal government is supporting export development with new global trade agreements. The recently announced Comprehensive Economic Trade Agreement (CETA) with the European Union and the Trans-pacific Partnership (TPP) negotiations are both expected to boost agriculture and food exports.

<sup>9</sup> Charting the Way Forward to 2020 - Agriculture and Agri-Food Canada

<sup>10</sup> OABA Economic Impact Analysis Summary Report

<sup>11</sup> AgriFood Statistics - OMAFRA (2013)



## Bio-economy

Demand for non-food uses of agricultural products continues to grow with environmental awareness (e.g. biofuels, biocomposites, biofibres, etc.). Research and innovation are uncovering new uses for crops and crop residues like wheat straw, corn stalks and purpose grown crops like miscanthus, in the form of biomass. Biomass-based products have the potential to create significant growth for Ontario's agri-food industry.<sup>12</sup> Biomass can be dried and used as a pellet fuel to generate electricity. Cellulosic sugars derived from agricultural biomass are being used in the production of numerous bio-based products. Because these products are bio-based they can be marketed as green products. BioAmber, for example, is a new operation being established in nearby Sarnia, Ontario to produce bio-based succinic acid from sugars to displace petroleum-derived succinic acid. This new technology is a small indication of the potential for new uses for agricultural products in the bio-economy.

## Biosecurity & Sustainability Programs

Quality management systems and record keeping programs are becoming common for primary producers in Ontario which will change some production practices and increase the need for on-farm record keeping. The Canadian Food Inspection Agency (CFIA)<sup>13</sup> for example, has developed National Farm-Level Biosecurity standards for eight commodities (beef, dairy, mink, sheep, goats, bees, potatoes, and grains and oilseeds). The producer guidance documents to implement the protocols are in the implementation stages. At the same time, many global food retailers and processors are establishing new or adopting existing private standards.

GlobalGAP, Sustainable Agricultural Initiative (SAI), the Global Food Safety Initiative (GFSI) are examples of efforts to ensure products meet specific quality and food safety specifications. Animal welfare is a growing topic of interest among food companies. Major food retailers recently announced they will phase out use of pork gestation crates by 2022.<sup>14</sup> Quick serve restaurant Tim Hortons and Wendy's says that by 2022, it will source all pork from suppliers who have eliminated gestation stalls. In April the Retail Council of Canada (Costco Canada, Loblaws, Metro, Sobeys/Safeway, Walmart Canada, etc.) also said it would support a 2022 phase-out date.

## Consumer Demographics

Over 250,000 new immigrants arrive in Canada every year. The majority coming from India, China and the Philippines, accounting for 70% of Canada's population growth.<sup>15</sup> Ontario remains the top provincial destination for immigrants to Canada. In 2010 42% of the 280,636 immigrants settled in Ontario.<sup>16</sup> This trend is expected to increase demand for non-traditional agriculture and food products, such as vegetables that are typically produced in Asian countries.

Another important demographic trend in Ontario is the increasing number and proportion of Ontarians who are over 65. Individuals 65 years and older are projected to double by 2036 (~4,166,812 people), representing 24% of the entire population. An older population has different food needs and generally requires a smaller portion size. These seniors will be a growth segment in the domestic market and in international markets such as Japan and Europe where the population aging trends are even more advanced than Canada's.<sup>17</sup>

<sup>12</sup> OFA

<sup>13</sup> CFIA

<sup>14</sup> The Toronto Star

<sup>15</sup> Statistics Canada - Census Data

<sup>16</sup> Statistics Canada - Census Data

<sup>17</sup> Canadian Institute for Health Information - Health Care Costs Drivers: The Facts



## Consumer Food Trends

Food trends are always changing and evolving. The general population in Canada is older, more educated, and more ethnically diverse than in the past. The awareness of health and wellness is increasing, as is the desire to understand more about ingredients, nutritional content and origin. Key food trends that will impact the demand for agriculture and food products include:

- Convenience – Convenience food trends include increasing demand for ready to heat and eat food, one dish meals and portable for people on the go.
- Food Origin - Increasingly consumers are interested in where their food comes from and how it was produced which has created demand for local food, niche markets and traceability.
- Health and wellness – Awareness of health and wellness has increased the demand for low carbohydrate, low trans-fats and saturated fat content, gluten free, allergen free, and organic food.
- Fresh Food – Many consumers see “fresh” food as having better taste, health and nutrition than processed, preserved or frozen foods which is increasing demand for fresh food.
- Ethnic Foods – As indicated earlier in this report, immigration and visible minority groups are increasing which will create opportunities for ethnic cuisine inspired foods.
- Gourmet Foods - High quality and unique food products are in increasing demand from Canada’s aging consumer. Demand for these high quality products creates opportunities for the Agri-food sector in the County of Middlesex to provide high quality, good tasting, local, food and beverages.

## OMAFRA - Premier’s Challenge to the Agri-food Industry

The Agri-food sector is a major player in Ontario’s economy. It currently generates \$34 billion a year in gross domestic product (GDP) and sustains 740,000 jobs - about one in every nine jobs across the province. In 2013, through the development of foreign markets, increased competitiveness through innovation, and collaborating for success, the Premier has challenged the Agri-food industry to double its growth rate and create 120,000 jobs by 2020.<sup>18</sup>

### Ontario’s Local Food Strategy

The Ontario government has invested over \$116 million to support local food including research, capacity building, value chain development and marketing. The Local Food Strategy is based on the following foundation:<sup>19</sup>

**Vision:** Ontario consumers enjoy local food more often – and in more places.

**Mission:** Increasing the consumption of local food in Ontario.

#### Goals:

**Awareness** - Ontario consumers are aware of, value and choose more local foods.

**Access** - Local food is identifiable and widely available through a range of distribution channels.

**Supply** - Ontario’s Agri-food sector is competitive, productive and responsive to consumer demand.

### Local Food Act, 2013

In November 2013, The Legislative Assembly of Ontario passed Bill 36, Local Food Act, 2013.<sup>20</sup> The Act fits into the Ministry’s broader local food strategy. The new legislation - the first of its kind in Canada - will help build Ontario’s economy, create more jobs and expand the Agri-food sector, by making more local food available in markets, schools, cafeterias, grocery stores, and restaurants throughout the province.

<sup>18</sup> OMAFRA – The Premier’s Agri-Food Challenge: Building on Success

<sup>19</sup> Waterloo Region Food System Roundtable - Ontario’s Local Food Strategy

<sup>20</sup> OMAFRA - Local Food

*“Consumer interest  
in local food and  
close proximity to the  
City of London is a  
key opportunity  
for the  
County of Middlesex”*





## Other Ontario Municipalities

The following is a high-level scan of agriculture and food economic development activities used by other municipalities in Ontario including the City of London, Elgin County, Norfolk County and Region of Durham. These examples can be instructive for the County of Middlesex to understand possible strategies to increase agricultural awareness and economic activity.

### City of London

The close proximity of the City of London makes coordination and collaboration related to economic development and local food promotion a priority for Middlesex. The following are some key opportunities for collaboration:

#### **City of London's Agricultural Advisory Committee**

The City of London's Agriculture Advisory Committee (Committee) reports to the Municipal Council, through the Planning and Environment Committee. The Committee is responsible for providing input on agricultural and rural issues as a major component of land use planning and development. The Committee also acts as a liaison between agricultural and rural communities and the City of London's Council. Some stated responsibilities of the Committee are: to initiate advice on agricultural and rural issues and to liaise with the County of Middlesex Agricultural Committee as required.<sup>21</sup>

#### **London Chamber of Commerce's Agri-Business Committee**

Operating under the London Chamber of Commerce (LCC), the objectives of the Agri-Business Committee include developing education and awareness programs that support the region's vast agri-business sector as well as supporting and enhancing agricultural economic development activity.<sup>22</sup> In order to reach their

objectives, the committee has developed an action plan. Selected actions include:

- Create public awareness (e.g. jobs supported by London/Middlesex agriculture, environmental stewardship supported by agriculture, Ag's commitment to safe, quality, wholesome products, etc.)
- Work with LEDC to enhance Ag as a key sector for development

#### **Amazing Grazing**

In November 2014 the London Chamber of Commerce and Western Fair District spearheaded the Amazing Grazing event.<sup>23</sup> The purpose of the event was to highlight food grown and raised in Southwestern Ontario as well as the associated producers and agri-businesses and to promote careers in agriculture and the economic contribution that agriculture makes in the region.

#### **Spring Crop and Farm Innovation Tour: London Region**

Originally scheduled for April 16th, 2015, the Spring Crop and Farm Innovation Tour is a joint project with the London Chamber of Commerce Agri-Business Committee and Farm & Food Care Ontario. The purpose of the tour is to help participants (e.g. City of London Council members, media, etc.) better understand the innovations and economic contribution of the agriculture sector in the London Region through on-farm and business tours.

#### **London Economic Development Corporation**

In growing the economy in the City of London, the London Economic Development Corporation (LEDC) aims to attract new business and foreign direct investment with a significant focus on the food processing

<sup>21</sup> City of London - Agricultural Agricultural Advisory Committee

<sup>22</sup> London Chamber of Commerce: Agri-Business Committee

<sup>23</sup> Amazing Grazing London



industry. In attracting food processors to the area, LEDC promotes the available resources and infrastructure required to support food processing in London (e.g. access to raw products, HACCP and ISO9001 certified fresh water supply systems, natural gas capacity, road and rail transportation etc.). For example, LEDC is “supporting initiatives to increase fiber optic coverage to commercial and industrial buildings in London including participating in the South Western Ontario Economic Alliance (SWEA) Intelligent Region Initiative”.<sup>24</sup> In supporting the growth of the City of London’s food processing industry, LEDC has been involved in attracting some “North American Firsts”, including Dr. Oetker (first North American frozen pizza manufacturing plant) and Natra (first North American chocolate processing plant).

### Western Fair District

The Western Fair District is a not-for-profit agricultural Association rooted in the City of London. Having evolved from an agricultural fall Fair to a multi-faceted event centre, the Western Fair District hosts various trade shows, exhibits, harness horse racing and other sporting activities. As a major employer, the Western Fair District plays an important role in region’s economy.<sup>25</sup>

## Elgin County

Elgin County has several recent and economic development activities that are relevant to Middlesex.

### Elgin County – Regional Community Improvement Plan

Although still in the development stage, Elgin County is currently working with businesses and landowners in preparing a Regional Community Improvement Plan (RCIP). The RCIP has been developed as an overall template so that each lower-tier municipality can adopt and use a consistent framework. The RCIP and its tools, incentives, and programs are intended to be aligned with the County’s economic goals and is intended to:

- Assist with downtown/mainstreet

beautification and revitalization efforts

- Support new and existing agriculture and agri-business opportunities
- Promote the unique economic development advantages of Elgin County
- Strongly aligned with the County’s economic development goals
- Endorsed by Regional Council and supported by Elgin’s seven local municipalities
- Administered by senior staff at the County, in partnership with the local municipalities

In order to stimulate private sector investment in land and buildings, Elgin County has developed a set of proposed financial incentives programs that, if approved, may be provided by the County, through the CIP.<sup>26</sup> Proposed incentives include an application and permit fee rebate, a feasibility/design study grant and a building conversion/expansion grant.

### Elgin Buy Local Buy Fresh Map

Developed in partnership between Elgin County, the Elgin Business Resource Centre, and other organizations – the Buy Local Buy Fresh map’s (map) purpose is to raise local food awareness in Elgin County and to ensure its residents know where to access food produced in the County.<sup>27</sup> The map features over 50 farms within Elgin County that offer fresh, locally produced food as well as a Harvest Season of Local Produce chart.

## Norfolk County

Norfolk County is viewed as a leading municipality in terms of agricultural economic development and tourism. Through the establishment of the County’s Agricultural Advisory Board as well as the Tourism and Economic Development Advisory Board, Norfolk County has been able to actively support the development of initiatives related to agricultural growth in the County.

<sup>24</sup> London Economic Development Corporation - Food Processing in London

<sup>25</sup> Western Fair District - About Us

<sup>26</sup> Elgin County - Elgin County Regional Community Improvement Plan

<sup>27</sup> Elgin County - Buy Local Buy Fresh (map)



### **Agricultural Advisory Board**

Norfolk County's Agricultural Advisory Board was established for the purpose of advising County Council on agricultural issues in the County.<sup>28</sup> In supporting the County's strategic plan, the Agricultural Advisory Board strives to develop partnerships that facilitate agricultural initiatives in the County.

### **Norfolk County's Agriculture Program**

Including Norfolk County's Agricultural Advisory Board (listed above), Norfolk County's Agriculture Program also includes initiatives such as the Agriculture Marketing Partner Program, Flavour Fest, and the Two Fairly Fat Guys (Norfolk County's Official Food Ambassadors) in promoting the County's status as Ontario's Garden.<sup>29</sup> Norfolk County's Agriculture Program highlights the County's position as Canada's most prominent producer of various foods including asparagus, cabbage, strawberries and sweet potatoes. The program is coordinated by the County's Tourism & Economic Development Division.

### **Norfolk County – Community Improvement Plan**

The County of Norfolk is currently in the process of updating its Community Improvement Plan (CIP), first established in 2001. The County of Norfolk's goal for the updated CIP is to expand the scope of their current CIP to include policies focused on the growth of tourism, agri-tourism, agricultural, and downtown and hamlet revitalization. The proposed CIP changes will include, among other items, building/property improvement incentives for agricultural buildings and facilities as well as a signage improvement grant.<sup>30</sup>

### **Norfolk County Official Local Food, Wineries, and Breweries Travel Map**

Norfolk County publishes the Official Local

Food, Wineries and Breweries Travel Map which contains detailed listings of farm-gate operation, local food suppliers, wineries, breweries and other local food related experiences and events within the County.<sup>31</sup>

## **Region of Durham**

The Region of Durham is actively involved in the growth of the Region's agri-food sector; especially in efforts to attract investment for various food businesses. Supporting the Region's efforts to attract industry investment, an Agricultural Strategy was developed which aims to help the Region "become a leading agricultural and agri-food area in Ontario".<sup>32</sup> Specific examples of efforts to attract agri-food investment in the Region of Durham include:

### **Cold Storage Facility Feasibility Study and Business Case**

As recommended by Durham Regions' Agri-food strategy and the fact that there are no federally-registered cold storage facilities available to support the Region's agriculture sector, Durham Region conducted a feasibility study for the development of a cold storage facility.<sup>33</sup> The study determined that although most potential users have their own cold storage, with limited capacity, a third of these users currently use facilities outside of the Region and will require expanded needs in the future.

### **Abattoir Feasibility Study and Business Plan**

In 2013, Durham Region in partnership with the Durham Region Cattleman's Association, completed an Abattoir Feasibility Study and Business Plan to determine if a federally-inspected abattoir was viable in the Region.<sup>33</sup> Having no federally-inspected abattoirs in the area (closest is Cargill in Guelph) presents a barrier to accessing markets in the United States as well as larger grocery chains and restaurants in Ontario. The feasibility study

<sup>28</sup> Norfolk County: Economic Development - Agriculture and Food

<sup>29</sup> Norfolk County: Norfolk Farms - Ontario's Garden

<sup>30</sup> Millier, Dickinson, Blais & Planscape - County of Norfolk Community Improvement Plan

<sup>31</sup> Norfolk County - Norfolk Farms

<sup>32</sup> The Regional Municipality of Durham - News Release

<sup>33</sup> The Regional Municipality of Durham - Agriculture and Rural Affairs Economic Development Update



indicated that opportunities do exist for the Region to consider the development of a federally-inspected meat abattoir. The Region is currently investigating investment interests.

## Select Projects and Initiatives

The following are several other projects, programs and initiatives currently in place in Ontario that can be applicable or relevant to the County of Middlesex.

### Prince Edward County – Creative Rural Economy Community Improvement Plan

Prince Edward County's Creative Rural Economy Community Improvement Plan (CIP) was developed as a way to reinforce the County's commitment to supporting economic development. Some of the goals of the CIP are to align the County's Creative Rural Economy Strategy with investment policy and attraction tools and to offer financial incentives that correlate to the Creative Rural Economy approach and investment trends and targets.

Some objectives of the CIP include the use of financial incentives to attract and retain Creative Rural Economy business, and help existing business to expand in selected areas such as creative industries, gastronomy, healthcare and wellness, and green business. The plan also includes a Financial Incentive Strategy which highlights possible programs that the County could execute such as Planning and Building Fees Rebate Program, Development Charges Rebate Program, Project Feasibility Studies Program and a Façade Improvement Program.<sup>34</sup>

### Haldimand County – Rural Business and Tourism Community Improvement Plan

The Rural Business and Tourism Community Improvement Plan (RBTCIP) is a tool for value added agriculture, tourism, and hamlet development in Haldimand County. Key goals of the program are to improve the physical and visual qualities of the County's Hamlets and to

support value-added agricultural uses such as agri-tourism or small scale on-farm processing.

In achieving these goals, the RBTCIP offers a range of property development incentives to the several types of businesses including "Value-added Agriculture". The program includes grants for value-added agriculture related activities such as the creation of: on-farm retailing, small scale processing, and agri-tourism activities.<sup>35</sup>

### Eastern Ontario Agri-Food Network

As a non-profit organization, the Eastern Ontario Agri-Food Network is "dedicated to coordinating the development of the Agri-food sector in Eastern Ontario and fostering dialogue between its members and partners".<sup>36</sup> The Eastern Ontario Agri-Food Network has developed both a Local Food Directory and Local Food Map. The Local Food Directory provides consumers with an on-line interactive map organized by location, product and service type (e.g. meat and fish, fruits and vegetables, grain products, services, farm markets, farm tours, etc.).<sup>37</sup>

### Ontario Food Cluster

The Ontario Food Cluster supports over 3,200 Agri-food and beverage businesses in the province through the development of international trade and investment opportunities.<sup>38</sup> With food and beverage processing in Ontario expected to grow to a \$40 billion industry, numerous cities and regions in the province are taking advantage of the potential opportunity, including the County of Middlesex. Example of other cities and regions involved with Ontario's Food Cluster include: City of London, City of Hamilton, Guelph and County of Elgin. The Cluster also partners with OMAFRA, Agriculture and Agri-Food Canada (AAFC) and Canada's Department of Foreign Affairs and International Trade.

### Ontariofresh.ca

Ontariofresh.ca provides a no-charge marketing service, online community and product database in supporting the growth of Ontario local food

<sup>34</sup> Dillon Consulting Ltd. and Clara Consulting: Prince Edward County - Creative Rural Economy Community Improvement Plan

<sup>35</sup> Haldimand County - Community Improvement Plan

<sup>36</sup> Eastern Ontario Agri-Food Network - Local Food Directory

<sup>37</sup> Eastern Ontario Agri-Food Network - Local Food Map

<sup>38</sup> Ontario Food Cluster



markets for both buyers and sellers. Focused on institutional, commercial and retail purchasers of Ontario food, [Ontariofresh.ca](http://Ontariofresh.ca) provides tools to assist buyers in sourcing local food products. Developing opportunities (opening the door) between producers and processors is a key opportunity facilitated by [Ontariofresh.ca](http://Ontariofresh.ca)<sup>39</sup>

### **Ontario Farm Fresh Marketing Association**

The Ontario Farm Fresh Marketing Association (OFFMA) is a member-based not-for-profit organization. General membership is made up of Ontario farmers with a keen interest in promoting the direct farm sales industry (e.g. on-farm markets, pick-your-own operations, etc.) and encouraging improvements and maintaining integrity in the industry. OFFMA's mission is to provide knowledge and leadership to grow the farm fresh experience.<sup>40</sup> Several County of Middlesex farmer direct marketers are members of OFFMA, but many are not members. OFFMA's 2006 report, *"Jurisdictional Analysis and Best Practices for Land Use Planning Affecting Direct Marketing and Agri-tourism Operations in Ontario"* may be of interest to the County of Middlesex.<sup>41</sup>

### **Ontario Culinary Tourism Alliance**

The Ontario Culinary Tourism Alliance (OCTA) is a not-for-profit organization which aims to develop strong relationships between food and travel industry stakeholders (e.g. growers,

chefs, processors, accommodation providers, government, etc.) in an effort to connect the food and travel industries.<sup>42</sup> OCTA may offer opportunities to boost tourism in connection with local food promotion.

### **South Central Ontario Region (SCOR) Local Food Hub**

The South Central Ontario Region (SCOR) Economic Development Corporation is a regional partnership comprised of the County of Brant, Elgin County, Middlesex County, Norfolk County and Oxford County.<sup>43</sup> The SCOR FoodHub is an on-line local food marketplace targeted to the institutional and food service buyer (broader public sector). We understand that several of the Food Hub locations have (or intend to) increase sales efforts to the food service sector which could create marketing opportunities for producers in the County of Middlesex.

### **Hills of Headwaters Tourism Association – Equine Developments**

The Hills of Headwaters Tourism Association (HHTA) is "a regional, non-profit organization with a mandate to facilitate the development and promotion of the Headwaters region as a tourism destination".<sup>44</sup> HHTA provides tourism marketing services and support to the communities of Erin, Caledon, Dufferin County, Shelburne, and Mono.

## **Community Improvement Plans**

A Community Improvement Plan (CIP) is a municipal tool that allows a municipality to direct funds and implement policy toward a specifically defined project area. There are numerous benefits to implementing a CIP including: rehabilitate and revitalize targeted areas (e.g. agri-tourism industry) and to support local businesses. A CIP can be implemented through public infrastructure improvements (e.g. streetscape improvements) or private sector incentives (e.g. grants and loans for specific improvements).

<sup>39</sup> [OntarioFresh.ca](http://OntarioFresh.ca) - About Us

<sup>40</sup> Ontario Farm Fresh Marketing Association

<sup>41</sup> Wayne J. Caldwell – Jurisdictional Analysis and Best Practices for Land Use Planning Affecting Direct Marketing and Agri-tourism Operations in Ontario

<sup>42</sup> Ontario Culinary Tourism Alliance

<sup>43</sup> South Central Ontario Region Economic Development Corporation - About SCOR EDC

<sup>44</sup> Hills of Headwater Tourism Association



In collaboration with other economic development organizations and municipal governments, HHTA has spearhead various equine industry studies in the goal of growing the equine industry in the various areas noted above; these studies include:

- Economic Impact of the Equine Sector in the Headwaters Region (Headwaters Equine Leadership Group)
- Harnessing Horsepower in the Hills of Headwaters – The State of the Horse Industry – Challenges & Opportunities (Vel Evans, Strategic Equine Inc.)
- Equine Sector Development in Dufferin County: A Final Assessment Report (Ingunn Ósk Árnadóttir, Ryan Deska, Mark Ferguson, Feinan Long, and Kyle Poole)

The equine sector in the County of Middlesex was identified as an opportunity for growth by the Steering Committee for this report. The HHTA reports and activities show examples that should be considered by Middlesex to assess and further develop the equine sector.

## *County of Middlesex Current Activities*

The County of Middlesex has been involved with several economic development activities related to the Agri-food sector. To put this in context with the other municipalities highlighted in this section, the following is a list of the current activities in Middlesex County:

- Middlesex-London Local Food Guide map
- Agri-Tourism (managed by Middlesex County beginning in 2015)
- Various farmer-buyer network events
- Commodity group organized events
- Farmers' Markets organizers meeting (2014)
- Tourism Middlesex – Taste of Middlesex event
- Small business workshops
- Agriculture Sector Profile

## *Agriculture and Food Trends At A Glance*

- Long term climate change could bring both challenges and new opportunities for farmers
- Farm land values have increased dramatically in the recent past
- The agriculture sector has a generally positive economic outlook for the main commodities produced in Middlesex (recognizing some challenges in the near term)
- Food trends such as local food, convenience, health and wellness, changing demographics and gourmet products are growth opportunities
- There are many ongoing Local Food initiatives in and around Middlesex that can be further developed
- Investment attraction efforts, such as with the Ontario Food Cluster, are needed to further expand the sector
- Community Improvement Plans have been used successfully by other municipalities to increase economic development

# CONSULTATION FINDINGS



## Stakeholder Consultation Method

As a key part of the process of developing an Agriculture Sector Strategy for the County of Middlesex, Synthesis consulted with various stakeholders of the Agri-food sector. Methods used included stakeholder interviews, focus groups, and an on-line survey. In addition to the stakeholder consultation process, members of the Steering Committee were also a valuable source of input for this strategy.

The purpose of consulting stakeholders was to gather relevant and meaningful insights into the strengths, areas of opportunity, and barriers for the Agri-food sector as well as to establish strategic direction for the retention, expansion, and attraction of agriculture investment in the County of Middlesex.

### Steering Committee Input

For the purpose of directing the project, a Steering Committee for the County of Middlesex Agriculture Sector Strategy was formed by the County of Middlesex. The Steering Committee met with Synthesis on January 21st, 2015 at the County of Middlesex's Administration Office. At this meeting, Synthesis presented a draft of the County of Middlesex Agri-Food Economic Impact Assessment to the Steering Committee for review. As part of this initial meeting, Synthesis facilitated a discussion of ideas and strategies for growing the agriculture sector in the County of Middlesex, and explored key themes and opportunities.

### Stakeholder Interviews

The stakeholders contacted for one-on-one phone interviews included representatives from:

- Primary agricultural production (cash crop, fruit and vegetable, dairy, and livestock)
- Agribusinesses (equipment manufacturing, soybean exporting, grain elevator)
- Food processing
- Economic development
- County of Middlesex representation

For a complete list of the individuals interviewed, please refer to *Appendix A*

### Focus Groups

In addition, to generate discussion, brainstorm, and further reveal the strengths, opportunities and challenges within the County's agriculture and food sector, two focus groups were facilitated by Synthesis:

- Thursday February 5th, 2015 at the Lucan Community Memorial Centre in Lucan, ON
- Monday February 9th, 2015 at the West Middlesex Memorial Centre in Strathroy, ON



After briefing participants on the economic generation contributed by the Agri-food sector in the County of Middlesex, the focus group was facilitated for the purpose of identifying sector strengths and opportunities, barriers for sector growth, and strategic direction and priorities for the County of Middlesex's agriculture sector.



### On-line Survey

Complementing the stakeholder interviews and focus groups, Synthesis developed an on-line survey which was circulated by the County of Middlesex to the business directory. This method enabled Synthesis to gather additional insights from a larger pool of Agri-food sector stakeholders in the County. In total, 37 on-line surveys were completed. The insights gathered from the survey have been taken into consideration for development of the recommendations and strategy.



## Strengths of the Agri-Food Sector

The following section summarizes the strengths of the County of Middlesex's Agri-food sector identified during the stakeholder consultation process:

### Capacity of Primary Agriculture Producers

Comments raised during the consultation process include:

- The County of Middlesex has a successful agriculture history
- The County has a strong and diverse agriculture production base
- Farmers in the County have a lot of expertise in agricultural production and are continuously increasing their level of productivity
- There are numerous food quality programs in place that support high quality standards in food production

### Environment – Climate and Soil

Comments raised during the consultation process include:

- The County of Middlesex has very high soil productivity with Class 1 and 2 agricultural land
- The Region's climate produces sufficient heat units and rainfall for crop production
- The Great Lakes effect has a moderating effect on the climate which produces a micro-climate unique to the Middlesex area

### Diversity of Production

Comments raised during the consultation process include:

- Diverse production including field crops, livestock, and high value crops (field vegetables and fruit) as well as niche products (maple syrup, etc.)
- Local food demand and awareness is growing in the County
- The County has a strong agri-tourism industry (e.g. farm markets, pick-your-own, etc.)

- The area's agriculture sector can support developments in energy production (e.g. bio-fuels, digesters, etc.)

### Proximity to Markets

Comments raised during the consultation process include:

- Proximity to Highway 401, 402, and US border crossings at Sarnia, Windsor and Niagara
- Proximity to London, Toronto, Sarnia, Great Lakes region, Northeast United States
- City of London population – multicultural, opportunities for local food
- Relatively close to Greater Toronto Area – Toronto wants a steady supply of local, safe, affordable food

### Proximity to Labour Force

Comments raised during the consultation process include:

- The County of Middlesex offers a stable labour force to support farming and processing activities (includes seasonal and foreign temporary workers)
- There are numerous economically vibrant communities within the County to supply labour needs (as well as a consumer base)

### Proximity to Education and Research Facilities

Comments raised during the consultation process include:

- Close to education institutions (Western University, Fanshawe College, Ridgeway College, etc.)
- Local research facilities – Western University, Agriculture and Agri-food Canada London research station, Dow-AgroSciences, Syngenta, research fields in the area (such as hemp and flax), relatively close to University of Guelph – Ridgeway

*“There is opportunity  
to attract investment  
in food processing  
facilities to the  
County of Middlesex”*





### **Transportation Infrastructure**

Comments raised during the consultation process include:

- Transportation network of roads (County Roads and 400 series Highway access)

### **Industry Support**

Comments raised during the consultation process include:

- The County's agriculture sector is well supported by the agriculture community and farm/producer organizations/associations
- County council and lower-tier municipalities are supportive of the agriculture sector in the County

## **Opportunities for Growth**

The following section summarizes the key opportunities for growing the County of Middlesex's Agri-Food sector identified during the stakeholder consultation process.

### **Secure / Retain Current Agricultural Production**

Comments raised during the consultation process include:

- Encourage new or existing farm families to continue farming in the County of Middlesex – to support the maintenance and growth of the agriculture industry
- Maintain livestock production base as an added value production option
- Growing the livestock industry in the County would create more jobs
- The beef industry in the County has potential to grow (e.g. direct sales)
- Address farm succession in making room for young workers - aging producers can provide mentoring role
- Producers can increase their yields and efficiency by adopting new technologies

### **Diversification and New Products**

Comments raised during the consultation process include:

- Diversify into new and niche products and commodities which could better serve the growing multicultural populations as well as new/emerging markets
- Value-added crops can be increasingly grown for food, fiber, fuel and other purposes:
  - Identify and address demand for specialized production
  - Nutraceuticals and functional foods
  - Pharmaceuticals made with specialty products
- Raise the awareness for the potential of more holistic forestry and woodlot management (includes regular harvesting methods):
  - Woodlot management could help diversify farm incomes

### **Value Added Processing**

Comments raised during the consultation process include:

- There is opportunity to attract investment in food processing facilities to the County of Middlesex (e.g. value-added processing, bio-products, etc.)
- On-farm processing is an opportunity for growth in the County of Middlesex (i.e. further processing on farm rather than selling commodities):
  - On-farm processing could help diversify farm employment beyond traditional farm labour
- The County of Middlesex is well suited for the establishment of a provincially inspected meat processing plant – potential for partnerships with other areas (e.g. Perth County); comments raised indicated a need for more meat processing capacity in or nearby the County of Middlesex



- Strengthen partnerships between supply (farmers) and processors in order to grow and attract food processing businesses to the County

### **Agri-tourism and Consumer Education**

Comments raised during the consultation process include:

- The County of Middlesex could develop and promote on-farm and rural experiences as well as agri-tourism opportunities (e.g. farmers' markets, country day-trips, etc.)
- Leverage the City of London's population base in encouraging and developing agri-tourism opportunities (e.g. bring the City to the Country, local food, farm tours, etc.)
- Enhance Agri-food education in the local and regional school systems – partner with regional educational and research institutions (e.g. Western University, Fanshawe College, County of Middlesex and City of London school boards, etc.)
- There are a lot of horses and horse farms in the County of Middlesex (especially on the outskirts of the City of London) which could really leverage the City of London's population (e.g. boarding, riding lessons, trail rides, etc.)

### **Local Food**

Comments raised during the consultation process include:

- Leverage, promote, and market the local food trend – the County of Middlesex and lower-tier municipalities could promote healthy living and local food consumption
- Make use of traceability and quality systems to access markets wanting “local” or “Ontario” products
- The County of Middlesex could partner with food services, restaurants and other businesses in the City of London to raise awareness of local food production and increase local food consumption

- Development of a Local Food Hub could help support the growth of the local food market by improving access to and distribution of local food

### **Labour Force Development**

Comments raised during the consultation process include:

- There are opportunities for greater profit margins with local foods and higher value production
- Promote Agri-food sector careers to the non-farming community in order to help raise awareness of the various employment opportunities
- The County of Middlesex could help support education initiatives in increasing skills development among Agri-food sector workers (e.g. support shift to higher skill jobs)
- Increase the sharing of resources between the County of Middlesex, lower-tier municipalities, and the Agri-food sector (e.g. knowledge on health and safety, etc.)
- The County of Middlesex could promote and support entrepreneurialism (e.g. promote and develop networking opportunities)

### **Infrastructure**

Comments raised during the consultation process include:

- Infrastructure for natural gas access for farm and food processing businesses could allow for more business attraction as well as the growth of existing businesses
- Infrastructure for faster, more reliable internet would increase business efficiencies (e.g. transactions) as well as communications (e.g. networking potential)
- Continue to expand and improve transportation (road improvements, road widening, more access to 400 highways)
- Ensure zoning regulations are in place to enable growth and continued agricultural uses
- Waste water treatment development could



help attract additional investment

- A large volume of agricultural products (e.g. edible beans, food grade soybeans, etc.) are transported in shipping containers from the County of Middlesex and surrounding counties to intermodal rail-truck terminals in the Greater Toronto Area; the opportunity to have an intermodal terminal in the County was raised as an opportunity because it would reduce freight costs, reduce traffic congestion and would be a benefit to County of Middlesex overall

### Other Suggestions

Comments raised during the consultation process include:

- Resident Attraction - Market the County's rural lifestyle benefits to attract more non-farming residents to rural settlements within the County (e.g. hamlets, villages, towns, etc.)
- Promote the use of shared spaces (e.g. industrial and certified kitchens at community centers, etc.) in supporting the entrepreneurial and small business developments in the County of Middlesex

### Barriers to Overcome

The list below summarizes the barriers for growing the County of Middlesex's Agri-food sector identified during the stakeholder consultation:

#### Barriers Impacting Processing

Comments raised during the consultation process include:

- Regulations in place are often very restrictive and/or require a high level of compliance to operate in the food sector (e.g. meat processing/abattoirs, food production, etc.); these regulations could discourage small business and start-ups in value-added operations
- Energy (e.g. electricity, natural gas, etc.) costs as well as land prices and taxes are high and make it difficult for small or new businesses to grow or remain in business
- High level of competition with the City of

London in attracting and keeping food processing businesses in the County of Middlesex – there are more resources (e.g. LEDC, supporting services, workforce, buildings/facilities, etc.) in the City of London

- Accessing processors and food distributors within the City of London is difficult for smaller scale producers (small volume runs are not efficient, concerns about consistency of supply)
- Price competition from imported food, products and commodities
- There is a lack of central food processing facilities in the County of Middlesex - products are shipped off for value added processing outside of the County
- Communities need to be investment-ready for supporting and processing businesses – there are very few in the County of Middlesex

#### Barriers Impacting Agri-tourism

Comments raised during the consultation process include:

- There is a general lack of connection with food and agriculture with the current population
- There is a lack of Federal, Provincial, and County funding in supporting agri-tourism developments and initiatives
- Accessing local and regional school boards and education institutions for increasing agricultural and food awareness is difficult (e.g. lengthy process)
- Farmers/producers are hesitant to participate or host farm tours and/or activities due to the increased level of accountability and potential liability, on-farm injuries, biosecurity, animal health, etc.

#### Lack of Collaboration

Comments raised during the consultation process include:

- Lack of communication between the County of Middlesex and the City of London in identifying possibilities for collaboration and developments as well as products in demand by restaurants, processors, businesses, etc.



- Lack of communication and involvement from lower-tier municipalities (municipalities are not involved the County's planning process)
- Lack of communication between Agri-food sector and the County of Middlesex in identifying sector requirements (e.g. funding) and opportunities for growth
- Lack of communication between the producer and food businesses (e.g. food service, distribution, etc.) in the City of London (e.g. identification of products in demand by restaurants, processors, businesses, etc.)

#### **Land Prices and Urban Sprawl:**

Comments raised during the consultation process include:

- Urban sprawl from the City of London is creating non-farm development in agricultural areas – reduces physical growth potential
- Various land developments and non-farming rural resident developments often restrict normal farm practices as well as the potential to increase production or grow
- High land prices and farm taxes are affecting businesses and producers' profitability

#### **Access to Labour:**

Comments raised during the consultation process include:

- Large scale farming and mechanization could impact (reduce) farm labour employment in the sector

- Finding motivated employees as well as trained/skilled workers can be difficult due to competition from other manufacturing businesses who have a higher starting wage or less physically demanding work

#### **Infrastructure:**

Comments raised during the consultation process include:

- Availability of high speed / broadband internet and mobile services is becoming a limitation for some businesses and producers in the County of Middlesex
- County of Middlesex and lower-tier municipal roads need to be able to accommodate farm and non-farm traffic (i.e. larger and wider equipment) – this can impact the efficient production of agricultural goods (e.g. harvesting)

#### **Finding Investment:**

Comments raised during the consultation process include:

- It is difficult to attract processors away from established locations in other areas (i.e. large investment for the existing processor)
- It is difficult finding willing investors - need entrepreneurs, businesses, or investors who see opportunities and are willing to invest and start a business

## ***Consultation Findings At A Glance***

- Middlesex has a productive land base, productive climate and diverse Agri-food sector
- Close proximity to markets, labour and education are advantages for Middlesex
- Processing capacity is an important factor for future growth of the Agri-food sector in Middlesex
- Local food and Agri-tourism are key opportunities in Middlesex, especially to serve consumers in London
- Entrepreneur support for new and existing Agri-food businesses is needed to bolster added-value production
- There is an opportunity for more communication and collaboration between Agri-food related groups in the region

# AGRICULTURAL STRATEGY



The Agri-food sector in the County of Middlesex is a very dynamic sector and is comprised of many moving parts as shown in the Agriculture and Food Trends section. Taking this into consideration along with the opportunities and barriers identified by the consultation process (steering committee, focus groups, on-line survey) the strategy recommendations have been built on the following factors:

- Middlesex has a productive land base of Class 1 and 2 agricultural land
- The County of Middlesex's "micro-climate", as a result of its proximity to the Great Lakes, produces sufficient heat units and precipitation for the production of various crops
- The County of Middlesex's agricultural land base, climate, and producer capacity allow for a diversity of foods to be produced
- Processing capacity has brought increased economic activity and is a key factor for future growth of the Agri-food sector
- Proximity to major transportation networks and markets – both the 401 and 402 highways and two railways travel through the County of Middlesex
- Close proximity to the City of London can offer significant advantages relating to labour force and consumer opportunities
- Community Improvement Plans are a vehicle to increase economic development
- The agriculture sector has a generally positive economic outlook for the main commodities produced in Middlesex
- Local food and Agri-tourism are key opportunities in Middlesex, especially to serve consumers in London
- Entrepreneur support for new and existing Agri-food businesses is needed to bolster added-value production
- There is an opportunity for more communication and collaboration between Agri-food related groups in the region

## Guiding Principle

### **Increase agricultural employment, investment and production value on the same land base in a sustainable manner**

As a result of the stakeholder consultations, Synthesis uncovered several key opportunities for economic development of the Agri-food sector in the County of Middlesex. Each of these opportunities is based on an overarching theme of increasing employment, investment and production value on the same land base in a sustainable manner. The County of Middlesex is faced with the challenge of preserving its agricultural land-base in the midst of urban sprawl and rural residential developments. Taking this into consideration, increasing economic output in the Agri-food sector will need to occur on, or within, the same land-base.

## Agricultural Output Goals

There are several possible ways to increase agricultural economic output on the same land base. The following six Output Goals have been prioritized by the steering committee:

### **Increase further processing investment on-farm or nearby**

- Processing vegetable production is a key high value crop for farmers in the County of Middlesex. This production is driven by the access to processing facilities in and near

the County. A key objective in this strategy will be to attract additional processing capacity both at existing and new facilities in the area. This processing could include a range of products such as; vegetable, primary meat (abattoir), and secondary meat processing, bakeries, oilseed crushing, grain milling as well as bio-product processing opportunities. There are also opportunities for food and beverage processors to develop new, high quality products that improve the health and wellbeing of consumers.



### **Increase value added production and farm direct sales**

- Value added is the “process of taking a raw commodity and changing its form to produce a high quality end product. The addition of time, place, and/or form utility to a commodity in order to meet the tastes/preferences of consumers”.<sup>45</sup> A key strategic advantage for the County of Middlesex is the close proximity to the City of London. The large urban population nearby presents a strong growth opportunity given the increasing demand for local food. Products could include on-farm direct sales of fresh fruit and vegetables, maple syrup, fruit wines, hard cider, meat, bakery items, etc. These opportunities also include agri-tourism and culinary tourism which can benefit from the diversity of agriculture in the County of Middlesex combined with the close proximity to the City of London.

### **Maintain and increase livestock production**

- Livestock creates additional economic value compared to producing field crops on the same land base. In 2013, livestock and poultry accounted for 48% of the farm cash receipts. As a result, maintaining and increasing livestock production is crucial to agricultural growth in the County. Livestock markets, especially cattle, are expected to be strong well into the future; the County of Middlesex can orient itself and build on existing capacity to take advantage of this.

### **Maintain and increase high value crops**

- The County of Middlesex already has significant production of high value crops such as processing vegetables, fruit, sod, and nursery stock. In 2013 these crops accounted for 11% of farm cash receipts. Maintaining the current production depends largely on retaining the major vegetable processing plants within and near the County. Increasing high value horticulture crops such as fruit, processing vegetables,

fresh vegetables, landscape nursery, bedding plants and other specialty crops is a key growth opportunity for the County of Middlesex. This expansion will likely be driven by expanded processing capacity and increased farm direct sales.

### **Augment field crops with higher value options**

- As illustrated in the Economic Impact Report, corn and soybeans are the top field crops currently produced in the County of Middlesex. Field crops made up 41% of the farm cash receipts, which is significant and will likely continue to be a major driver in the future because of the soil type, climate (heat accumulation and rainfall) and access to transportation networks. However, there are additional opportunities to shift production to added value options such as edible beans, identity preserved (food grade) soybeans and seed production. These opportunities can be achieved with improved storage, handling and processing facilities in the County as well as improved access to road and rail transportation. Similar to the higher value crops strategy above, higher value options will also be driven by expanded processing and farm direct sales.

### **Increase and diversify agriculture related employment**

- As is indicated in the Economic Impact Report, employment in the County of Middlesex’s Agri-food sector is dominated by on-farm employment. In achieving the various output goals listed above, it is possible to not only increase employment in the County’s Agri-food sector but to diversify the type of employment itself. Skilled and un-skilled job creations due to the growth of industries such as food processing could create a more resilient Agri-food sector. Supporting this growth and diversification of agricultural related employment in the County, is the close proximity to the City of London. The City of London presents itself with a large and available labour force.

<sup>45</sup> Oklahoma State University - Robert M. Kerr Food & Agricultural Products Center



# Strategy Recommendations

In development of the path to achieve the growth targets, five strategies have been identified to capitalize on the strengths and opportunities, and to achieve the agricultural output goals.



A landscape photograph showing a river in the foreground, flowing through a lush green valley. The valley is dotted with various trees, some with vibrant autumn foliage in shades of yellow and orange, and others with green leaves. In the background, a faint rainbow is visible in the sky. The overall scene is peaceful and scenic, representing a sustainable agricultural environment.

*“Increase agricultural  
employment,  
investment and  
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the same land base in  
a sustainable manner”*



# Strategy Recommendations

## 1. Increase Agriculture and Agri-food Processing Capacity

### Objectives:

- Retain and increase processing businesses / investments through increased economic development to more aggressively compete to attract new food and bio-processing investments
- Encourage county and municipal land use policies, development fees and approval processes to be aligned and support growth of on-farm value added processing
- Provide entrepreneurial support for Agri-food processing businesses and start-ups

## 2. Increase Agri-tourism, Local Food Opportunities and Niche Markets

### Objectives:

- Increase promotion of agri-tourism businesses and local food to consumers
- Support Agri-food education to increase the understanding of farm and food systems among consumers
- Collaborate with producers to develop products to meet local food market demand
- Create an inventory of Agri-food assets and resources in Middlesex including agri-tourism, livestock, equine, etc.

## 3. Support Livestock Production Growth

### Objectives:

- Encourage municipal land use policies, development fees and approval processes to be aligned and support continued livestock production
- Increase outreach and communications to stakeholders and residents on the importance of livestock production in Middlesex
- Investigate equine sector needs and opportunities for business expansion

## 4. Support Infrastructure Development

### Objectives:

- Ensure that broadband internet infrastructure is expanded and continually upgraded
- Ensure transportation infrastructure is continually upgraded
- Investigate feasibility of establishing an inter-modal rail transportation terminal in Middlesex as a potential future opportunity

## 5. Enhance Government Communication and Collaboration Across the Region

### Objectives:

- Foster more communication between the Middlesex, Municipalities, City of London, London Chamber of Commerce Ag Committee, LEDC, and other organizations to enable collaboration, business growth and local food awareness



## Action Plan

The five strategy recommendations that have been identified are aligned around the guiding principle to “increase agricultural employment, investment and production value on the same land base in a sustainable manner”. Each strategy builds on the existing strengths, opportunities and unique advantages identified during the analysis and consultation process.

The following action plan was developed in consultation with the Agriculture Sector Strategy Steering Committee. These recommended actions all link to the strategies and objectives in this report and are in-line with the Middlesex overall economic development strategy goals to develop a supportive environment for business and investment, a proactive and targeted approach to business growth and attraction and a commitment to community sustainability and growth.

The following outline provides a summary of the 13 recommended actions and recommended time frames for implementation.

**Action 1** – Create a County of Middlesex agriculture specialist role dedicated to supporting growth of existing businesses, attracting new investments and promoting the Agri-food sector in Middlesex. This position requires someone with an agriculture background due to the diversity and complexity of the agriculture sector in the County of Middlesex. Specific roles of the position should include:

- Liaison: acting as a liaison between the Agri-food sector businesses, associations and County Council and staff, support the agriculture advisory committee (see action 2), and work with Middlesex municipal economic development committees. Provide support to the various agricultural / agri-industry organizations, agencies and committees throughout Middlesex County.

Maintain contact with local, provincial and federal ministries, agencies and organizations related to agriculture and agri-development.

- Business Retention and Expansion: Assist local businesses with food product innovation, local food programming, accessing funding programs and connecting with agri-food and agri-business programs
- Investment Attraction: actively marketing and promoting the County of Middlesex as a desirable location for agri-food businesses

### Time-line: Short Term

**Action 2** – Create an Agricultural Advisory Committee to inform and advise County Council and staff on agriculture and economic development.

- The advisory committee should include representatives with expertise in the key commodities; specifically grain production, livestock production, equine, food processing, farm direct sales as well as a member of County Council. The agricultural specialist position (see Action 1) will play a leadership role in supporting and directing the work of the advisory committee.
- The mandate of the advisory committee would include promoting and retaining agriculture related employment and entrepreneurial development; sharing information and coordinating activities among existing agricultural groups and advising Council and staff on matters affecting agriculture
- The advisory committee should meet with the London Economic Development Corporation (LEDC) and the London Chamber of Commerce to discuss greater collaboration around agri-business investment attraction and local food promotion.

### Time-line: Short Term

**Action 3** – Review the County of Middlesex’s Official Plan related to overall agricultural



strategies, land use policies, acceptable uses, as well as application processes and development fees to ensure they encourage and support investment and employment in the agriculture sector:

- Continue to reinforce the importance of agriculture in the County of Middlesex's Official Plan
- Plan as currently stated in the overall agricultural strategy s.1.2 and 2.2.2 which includes a goal "to protect agriculture as both an industry and a way of life"
- Encourage municipal land use policies, development fees and efficient approval processes supporting existing and new food and bio-product processing businesses
- Review the County of Middlesex's Official Plan s. 3.3.5 to understand the impact of the various policies on agriculture. Possible enhancements could be to include examples such as grain processing and food processing, to allow for exceptions on water use for food processing where appropriate and increase flexibility for the purpose of business growth
- Support the allowance of minor variances to Minimum Distance Separation (MDS) where appropriate in supporting the potential for growth of the livestock industry in the County
- Require settlement areas to undertake a community growth plan process before expansion of boundaries to ensure adjacent agricultural uses are given first priority to continue to expand

#### Time-line: Medium Term

**Action 4** – Increase advertising, promotional support and networking opportunities for agri-tourism and local food businesses in the County of Middlesex. Specific recommendations include:

- Allocate an annual budget for agri-tourism in the County of Middlesex to support activities and events related to agri-tourism
- Continue with the Middlesex-London Local Food Guide to promote and raise awareness

of locally produced agricultural products as well as strengthening working relationships between the County of Middlesex and the City of London

- Create an on-line interactive local food map to support the Middlesex-London
- Local Food Guide or as a separate resource (e.g. similar to the Eastern Ontario Agri-Food Network Local Food Map)
- Develop a "Made in Middlesex" branding program for agricultural products produced in Middlesex County based on the success of the FoodLand Ontario, Kawartha Choice and Norfolk County programs
- Support the reinstatement of the Farm Hikers Tours (an organized, self-guided farm tour) in cooperation with local farm organizations
- Partner with Ontario Farm Fresh Marketing Association (OFFMA) to increase membership and learning amongst agri-tourism businesses and potential new entrants into agri-tourism through OFFMA lead bus tours, education programs and/or peer-to-peer learning groups
- Utilize education materials from provincial organizations such as Ontario Agri-Food Education (OAFE) for schools; Farm and Food Care (F&FC) for general consumers; on topics related to food literacy, farming and food systems

#### Time-line: Short–Medium Term

**Action 5** – Actively participate in local food initiatives.

- Continue to support and collaborate with the County's farmers' markets and the Middlesex-London Local Food Guide in developing opportunities for local food business growth.
- Prioritize opportunities to collaborate with SCOR, OntarioFresh.ca as well as the various grassroots movements and initiatives within the County and London region.

#### Time-line: Short Term



**Action 6** – Develop programs to support Agri-food entrepreneurs in the County of Middlesex. Specific recommendations include:

- Establish an agri-entrepreneur mentor program in conjunction with the CFDC to support existing and potential entrepreneurs with mentoring and business guidance
- Investigate opportunities for small-scale and start-up businesses to use County and lower-tier municipality owned and operated shared spaced (e.g. industrial kitchens, offices, etc.)
- Develop a virtual agri-business incubator with on-line consultations, workshops and agri-business resources
- Add an agricultural Business Retention & Expansion program (a manufacturing BR& E is recommended in the economic development strategy)
- Seek opportunities to collaborate with OMAFRA, existing programs in Huron and Elgin Counties, London Chamber of Commerce, local Chambers and business associations to provide agricultural entrepreneurship workshops and other supports

**Time-line: Medium Term**

**Action 7** – Develop a Community Improvement Plan (CIP) related to agri-tourism and the agriculture sector.

- Investigate Elgin County and Haldimand County's CIPs in the development of programs, grants and loans to support agriculture growth and sustainability in the County of Middlesex
- Examples of programs, grants and loans to consider include:
  - Grants and loans for value-added agriculture related activities which (e.g. on-farm retailing, small-scale processing, agri-tourism, etc.)

- Development charges, planning fees and building permit grants
- Building restorations, renovation, and improvement grants or loans
- In order for a CIP to be effective, the County of Middlesex would need to allocate funding on an annual basis and make a multi-year commitment
- Consider new funding ideas and opportunities as possible sources of funding such as Community Vibrancy funding related to wind energy or creating a community foundation (such as Aylmer Area Community Foundation)

**Time-line: Medium-Long Term**

**Action 8** – Create an Agri-food asset map of resources including agri-tourism, local food, livestock and equine.

- Identify and inventory Middlesex's Agri-food sector resources, infrastructure and services offered by the sector in an on-line interactive database and mapping tool
- Investigate the strengths and gaps related to agri-tourism, local food, livestock and equine in the County of Middlesex
- Investigate existing Agri-food asset maps such as the ongoing Golden Horseshoe Food and Farming Alliance asset map project

**Time-line: Medium Term**

**Action 9** – Undertake an equine industry study and consultation to identify barriers and opportunities for growing the County's equine industry including research on successes in other regions (e.g. Greater Toronto Area, Caledon, Halton Hills, etc.)

**Time-line: Medium Term**

**Action 10** – Monitor the feasibility for future development of an inter-modal rail terminal in the County of Middlesex to better serve export markets (e.g. transportation of edible beans, food-grade soybeans, etc.)

**Time-line: Long Term**



**Action 11** – Investigate feasibility for an abattoir in conjunction with nearby municipalities to determine if, by working together, there could be a viable business opportunity to expand meat processing capacity in the region.

**Time-line: Medium Term**

**Action 12** – Support increased access to reliable, high speed Internet to enable rural business development and growth.

**Time-line: Short–Medium Term**

**Action 13** – Conduct a five year review of the Agriculture Strategy in 2020.

**Time-line: Long Term**



# Appendices

## Appendix A – Stakeholder List

### List of Interviewees

Ann Straatman – Seelster Farms

Butch Siebenmorgen – Bonduelle North America

Craig Connell – Wickethorn Farms Inc.

Durk Vanderwerff – Middlesex County, Planning Department

Ed Veeke – Wolfe Heavy Equipment Inc.

Frank Kennes – Libro Credit Union / Libro Financial Group

Fred Van Osch – Van Osch Farms Ltd.

Glenn Burrma – Penta TMR Inc. and Penta Tillage Inc.

Ian Carter – London Agricultural Commodities, Inc. (retired)

John van Logtenstein – Dairy Lane Systems Ltd.

Mike Barnier – Municipality of Middlesex Centre

Pauline Sleger – Slegers Greens Inc.

Rose Keunen – Henro Dairy Farms

Tom Schell – Centre for Sustainable Food Systems, Southwest Economic Alliance



## Appendix B – Inter-modal Rail Terminal

### Intermodal Rail Terminal

To achieve growth in the agriculture and food output, one of the strategies identified was to improve infrastructure including transportation routes. The concept of creating an intermodal rail terminal in the County of Middlesex was raised as an opportunity during the focus group session and warrants additional investigation. An intermodal terminal, also called a container yard, is a facility that can transfer shipping containers from truck to rail. This facility would link truck and rail transportation networks for both incoming and outgoing products.

The County of Middlesex has access to both the CN and CP railway network. In fact, these railway lines intersect near Komoka and Highway 402 and while this needs further investigation, it appears to present a unique situation in which the intersection of the two rail lines occurs near a 400 series highway.

An intermodal rail terminal would support the proposed strategy to help farmers and agri-businesses shift field crops toward higher value options and create additional economic activity (jobs). Currently there is a significant volume of high value field crops such as edible beans and identity preserved food grade soybeans that are exported in shipping containers. Edible bean processing and shipping is centred in Hensall, Ontario about 50 Km north of the County of Middlesex. Food grade soybeans are processed in various facilities in South Western Ontario in areas such as Chatham, Dresden, Glencoe, Hensall, Ingersoll, and Woodstock. The vast majority of these containers are shipped by road to intermodal terminals in the Toronto area (Brampton, Vaughan or Mississauga), often passing through the County of Middlesex.

Creating an intermodal (rail-truck) terminal in the County of Middlesex is a significant undertaking, but would have the following benefits:

- Help make farmers and agri-businesses more competitive with reduced transportation costs for agricultural exports (reduced shipping distance by truck)
- Enable more of a shift to higher value field crop options in the local area such as edible beans, identity preserved soybeans and seed production
- Reduce the number of trucks using roads in the Greater Toronto Area (GTA)
- Create jobs and related economic activity
- Create jobs and related economic activity (increased Agri-food and other product exports, increased truck and rail transportation activity, increased distribution activity for imports)

*Comments raised during the consultation process include:*

- Difficult to attracting investment for the improvement and development of rail transportation infrastructure
- Lack of short-line rail infrastructure (compared to the past)
- The agri-food sector in the County of Middlesex and surrounding region is already programmed to operate on roads/highways (i.e. truck/road transportation)
- Accessing empty rail cars/containers from Toronto terminal locations could be a challenge (e.g. what can be backhauled?)

The concept of developing an intermodal terminal in the County of Middlesex has been discussed previously. We understand that there was a proposal and meeting in the past with an investor who was interested in this concept, but the project did not proceed for various reasons. As a result, we do not recommend this for immediate action, however this opportunity should continue to be on the radar as a future potential for development in Middlesex. This area is uniquely positioned with access to both CN and CP rail-lines as well as close proximity to highway 402 which we see as a key opportunity for the future.

