



Mississippi
Mills

Official Plan Amendment 28: Rural Villages and Rural Vitality

On-Farm Diversified Use Discussion Paper

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TABLE OF CONTENTS

1.0 INTRODUCTION3

2.0 BACKGROUND AND POLICY CONTEXT 3

3.0 EXAMPLES OF ON-FARM DIVERSIFIED USES8

4.0 BENEFITS OF ON-FARM DIVERSIFIED USES9

5.0 CONCLUSION..... 11



1.0 INTRODUCTION

Family farms are the foundation of agricultural production in Canada. As per Statistics Canada (2022), 98% of all farms in Canada are family owned; however, smaller and medium-sized farms are becoming few and far between as larger farming operations have increased significantly. This shift illustrates how smaller, family-owned farming operations are facing increasing amounts of pressure from the modern agricultural industry and economy. In addition, some areas of a farm do not have the soil quality to support crops and other agricultural uses. The agricultural sector is evolving in order to keep up with socioeconomic trends, especially in rural Ontario.

A noteworthy solution that has been beneficial to farmers is the introduction of on-farm diversified uses. On-farm diversified uses allow farmers to supplement their primary farm income with complementary uses. Farmers can introduce uses such as agri-tourism, value-added, retail, and home occupations. This gives farmers the opportunity to diversify their income and create opportunity for rural economic growth.



Recently, municipalities have been tasked with balancing agricultural preservation and economic growth. The agricultural industry in Mississippi Mills is a pivotal economic and social influence, contributing significantly to the local economy and community fabric. In recognizing the evolving landscape of agricultural practices and economic diversification, there is a growing need to expand the scope of on-farm diversified uses within the Municipality.

2.0 BACKGROUND AND POLICY CONTEXT

As per the Provincial Planning Statement (2024), on-farm diversified uses can be defined as *"...uses that are secondary to the principal agricultural use of the property, and are limited in area. On-farm diversified uses include, but are not limited to, home occupations, home industries, agri-tourism uses, uses that produce value-added agricultural products, and electricity generation facilities and transmission systems, and energy storage systems"*.

The Provincial Planning Statement (2024) (PPS) and the Ontario Ministry of Agriculture, Food, and Agribusiness (OMAFRA) Guidelines on Permitted Uses in Ontario's Prime Agricultural Areas (2016) both introduce on-farm diversified uses as permitted uses on agricultural areas, allowing farmers to diversify their income while preserving farmland. A variety of provisions and criteria are outlined within these documents which must be followed in order to qualify as an on-farm diversified use. These provincial guidelines and suggested parameters allow for municipalities to put forth their own appropriate policies and procedures for their own communities regarding on-farm diversified uses. As per the 2024 PPS, on-farm diversified uses are also permitted on rural lands, which are defined as *lands which are located outside settlement areas, and which are outside prime agricultural areas.*

Allowing on-farm diversified uses on rural land, not just agricultural land, is particularly important for Mississippi Mills, which contains vast amounts of rural areas. Rural land holds unique cultural and economic value, which should be preserved and utilized appropriately. Supporting on-farm diversified uses on rural properties where agricultural operations are occurring, provides farmers with the opportunity to explore new income sources, which encourages local innovation and sustainable growth of our rural areas. On-farm diversified uses in our rural areas ensures that rural areas in Mississippi Mills can adapt to changing needs and opportunities.

While Mississippi Mills has a mix of both 'rural' and 'agricultural' areas as per provincial policy, when it comes to on-farm diversified uses, it does not matter what if its rural or prime agricultural identified in the PPS, what matters is that the diversified use is located on a farm that is actively being used for agricultural purposes. As per OMAFA's Guidelines,

"...agricultural uses occur on a farm with the expectation of reward or gain. It does not include agricultural production that is intended for the consumption by members of the household of the owner or operator of the farm, for purposes of recreation or pastime, or on a property that is used primarily for residential use. To ensure the agricultural use on the property is actively being farmed, a municipal planning authority may require evidence that proves this."



Additionally, for those areas identified as prime agricultural, provincial policies require that on-farm diversified uses must be secondary to the principal agricultural use on the property. The agricultural use must remain the dominant use on the property and this is measured by scale and time-based. The scale of the on-farm diversified use must be clearly secondary to the primary agricultural use on the property and within certain limits. A time-based limitation applies to on-farm diversified uses that are temporary, like seasonal events; whereas large, repeated or permanent events are not considered

on-farm diversified uses. The on-farm diversified uses must be **compatible** with surrounding agricultural operations and must not interfere with cropping cycles or other agricultural uses on the property or in the surrounding area. Properties designated Rural (not identified as prime agricultural in the PPS), will have greater flexibility for on-farm diversified uses and are not limited to the scale and time based requirements for those lands designated agricultural.

As noted in OMAFA's Guidelines, acceptable on-farm diversified uses in prime agricultural; areas **must be compatible** with the following:

- Permanently displace little-to-no agricultural land
- Do not require site grading and/or drainage unless it improves conditions for agricultural production
- Are one-time uses or held infrequently when impacts to agriculture are minimal
- Any land used for a temporary use must be immediately returned to agriculture
- A harvestable crop is produced on the land the year in which the temporary use is implemented (if applicable)
- Meet compatibility requirements (e.g. do not require significant emergency, water and wastewater services; maintain reasonable noise and traffic levels in the area)
- Impacts to the site itself and surrounding agricultural operations are mitigated (e.g. compaction, drainage, trespassing)

On-farm diversified uses must also be limited in area. Based on provincial policies, on-farm diversified uses in prime agricultural areas must be limited in area in order to minimize the amount of land taken out of agricultural production, ensure agriculture remains the dominant use on the property, and to limit impacts off site to ensure harmony with surrounding farming operations. It is recommended to limit the area using the total footprint of the diversified use(s) by implementing an appropriate lot coverage ratio through the Zoning By-law. Using this approach, the area of an on-farm diversified use would include buildings, storage areas, landscaping, well and septic systems, and parking. As for the lot coverage ratio, this should be mainly based on the size of the individual parcel of land where the use is located, not the entire area of a farming operation which could include many parcels of land.



If possible, diversified uses should use the existing agricultural buildings and structures on the property that are no longer needed for the primary agricultural use. This approach helps to reduce the amount of farmland used and can assist in maintaining the rural character of the area. It is recommended that the gross floor area of buildings for on-farm diversified uses be appropriate for agricultural and rural land. To ensure this, municipalities can enforce maximum gross floor area limits for on-farm diversified uses through the Zoning By-law.

Finally, on-farm diversified uses should be compatible with and not negatively impact surrounding agricultural operations, as per provincial policy. Some examples of on-farm diversified uses may meet the criteria noted above, but it may not be appropriate or

compatible with the existing surrounding area. For example, commercial, agri-tourism or recreational uses tend to attract larger numbers of visitors, which may cause disturbance to nearby farming operations. Municipalities are responsible for ensuring an on-farm diversified use will not hinder the surrounding uses and should consider how any potential impacts can be mitigated before allowing diversified uses in farming areas.



Beyond provincial policies and guidelines, municipalities can develop and implement their own appropriate policies and criteria for on-farm diversified uses in their planning policies such as Official Plans and Zoning By-laws. Many municipalities around Ontario have begun to add policies to accommodate on-farm diversified uses. For example, creating special provisions in Zoning By-laws will allow for farmers to add on-farm diversified uses without seeking out the lengthier and more expensive route of getting to add a use to the zoning



on their property through a Zoning By-law Amendment. The overall goal for developing frameworks and policies is to create a flexible and adaptable way for farmers to diversify their land uses while protecting agricultural land, managing environmental impacts and ensuring compatibility with the surrounding area.

3.0 EXAMPLES OF ON-FARM DIVERSIFIED USES

Value-Added Uses:	Agri-Tourism Uses:	Retail Uses:
Cider, Beer or Wine Production	Farm Tours	Farm Shop
Artisanal Cheese Production	"Pick-Your-Own" (apples, pumpkins, flowers, berries)	Bakery
Baked Goods	Christmas Tree Farm	"Farm to Table" Restaurant
Maple Syrup Production	Hayrides	Seed and Feed Supplier
Jam and Preserves Production	Corn Mazes	Plant Nursery



4.0 BENEFITS OF ON-FARM DIVERSIFIED USES

On-farm diversified uses offer a variety of benefits to the host farmer and the local community. Some specific benefits include economic resilience, community engagement, and enhanced market opportunities.

Economic Resilience

As previously mentioned, including on-farm diversified uses allows farmers to generate income in addition to their farm production. This can introduce a sense of economic stability to a local farmer who is dependent on single crop revenues. By integrating diverse uses like agri-tourism, value-added, retail or home occupations to a farm, this can allow farmers to mitigate the impacts of economic hardship and uncertainty that can be associated with the farming industry and stabilize their income. This is important for smaller, family-owned farms that are constantly competing with larger farm operations.



On-farm diversified uses allow for more income to be generated which in turn will aid with the longevity and preservation of smaller farming businesses. With more economic resilience and gain, farmers can put this income back into their primary farm operation which benefits the greater community. Furthermore, on-farm diversified uses can help reduce dependence on seasonal income and can ensure a steadier income throughout the year.

Community Engagement



Community engagement is another benefit that can stem from integrating on-farm diversified uses into established farms. Introducing engaging activities and services like farm shops, hayrides, crafting workshops or farm-to-table events can help build relationships between local farmers and their local community. These initiatives foster a greater sense of community while also raising awareness towards the

importance of local food systems and sustainable agriculture. These diverse uses can additionally act as tourism destinations for local community members and tourists, which will assist with diversifying and strengthening the local economy. These opportunities allow for local community members to learn more about and appreciate agriculture, which will lead to an ongoing and supportive relationship between local farmers and their community.

Enhanced Market Opportunities

Enhanced market opportunities are another benefit that can arise from the incorporation of on-farm diversified uses. By incorporating diversified uses onto a farm, the farmer can explore a variety of market niches that can set their farm apart from others. Farmers can increase their consumer demand by offering special services or goods, such as organic produce or locally crafted goods. This can overall lead to a unique market presence and gives farming operators the opportunity to be creative and innovative.



5.0 CONCLUSION

The potential that on-farm diversified uses can have on farming operators and their local communities is apparent. On-farm diversified uses represent an exciting strategy that can allow farmers to explore different avenues and supplement their primary source of income. By supporting initiatives such as this and enhancing local policies, municipalities can aid streamline the approval process for on-farm diversified uses and help create vibrant, local agriculture and rural communities, all while supporting farmers as they navigate the ever-evolving agricultural sector in Ontario.





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