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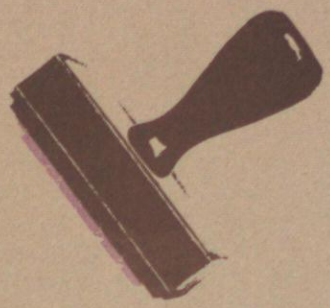

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DISAPPEARING FARMLAND: SO WHAT?

I. Introduction

The government of Ontario's recent decision to draw in the boundaries for urban growth in the Niagara region,[1] and its simultaneous release of a Green Paper on guidelines for the preservation of foodlands, have brought to a head the longstanding issue of the declining land base for agriculture. The foodland problem was "discovered" over 15 years ago, at first by university researchers and then in nation-wide forums such as the Resources for Tomorrow Conference (1961). But it was 1972 before a joint federal-provincial study carried out by the University of Guelph sounded the first public alarm for agricultural land in Southern Ontario.[2] Since then the farmland question has become a matter of widespread public debate and a leading political issue.

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[1]Housing Minister John Rhodes announced on February 17, 1977 that the Region of Niagara's official plan proposals for the urban development of 7,000 acres of farmland had been reduced by 3,000 acres by the provincial government. The Minister suggested that the Region consider a strategy for redirecting growth south of the Niagara escarpment, away from prime farmland. This statement was released at the same time as the Ministry of Agriculture and Food Green Paper on Planning for Agriculture, "Food Land Guidelines".

[2]A.R.D.A. Report No. 7, Planning for Agriculture in Southern Ontario, Centre for Resources Development, University of Guelph, 1972. A variety of studies had been published prior to this time, but usually these dealt with specific aspects of the overall problem. L. Gertler's Niagara Escarpment Study Fruit Belt Report (Ministry of T.E.I.G.A., 1968) is an example.

A myriad of seemingly contradictory facts and figures complicates the task of sorting out political posturing from thoughtful analysis of the problem. Some experts and politicians are warning us that we have arrived at a crisis or turning point with regard to the reduction of agricultural lands and that, if we do not act decisively to protect our foodlands, we shall lose the opportunity to save them at all. Others deny that our farmland is endangered. They agree that our agricultural land base is declining but maintain that there is no cause for immediate alarm.

The purpose of this Comment is to define the issues in the farmland debate. Our intent is to show where there is consensus and, conversely, what are the critical unresolved points. We suggest that there are two sets of issues:

1) the scope, causes and significance of the problem; and,

2) the policy options and the role of the provincial government.

One might argue that the solution to a problem follows from the perception of that problem. The farmland question is more complex. Even if there were agreement as to the nature of the problem and its significance, one's view of the appropriate solution is inevitably tied to philosophical and ideological preferences as to the role of government, the use of resources, and the rights of ownership. Any search for solutions, therefore, should best begin by looking for the *minimum* steps necessary to maintain an adequate land base for agriculture. Our discussion of the second set of issues, which deals with the appropriate extent of involvement by the provincial government, proceeds with this in mind.

This Comment will serve as a background paper for the Bureau's Spring Conference — "Food for the Cities and Provincial Land Policy" — to be held in Toronto on March 30 and 31. The Conference is timely in that the Province has invited public response to its Green Paper on planning for agriculture. A number of other reports, all dealing in some way with how we manage our land resources, have recently been released for public discussion, or will be over the next few months. These include: the report of the Hearing Officers on the Parkway Belt West (February 1977), the Blair Commission report on market value assessment (March 1977), the Planning Act Review, the Archer Commission report on regional government in Niagara and the Robarts report on Metropolitan Toronto. The proceedings of the BMR Conference will be published in late Spring.

II. The Nature of the Problem and Its Significance

"Disappearing" farmland refers to the loss from production, either temporarily or permanently, of lands that had previously been used for farming. The agricultural debate has centred on three issues: the scope of the problem, the causes, and the significance of farmland withdrawal.

The Scope of the Problem

The rueful fact that the debate has so far generated much more heat than light can be attributed in part to the absence of a solid and integrated set of data. Facts can be plucked from three parallel streams of data, each providing a partial description of the farmland base.

The Census of Agriculture, conducted by Statistics Canada every five years, measures the amounts of improved and unimproved lands in Census farms.[1] Analogous to this Census but not the same, the provincial Ministry of Agriculture and Food compiles yearly figures on acreages in principal field crops and pasture.[2] These data are obtained by sample survey of farmers and from "agribusiness" personnel. Third, the Canada Land Inventory (CLI) measures the soil capability for the production of common field crops.[3] There are seven classifications for soil:

Class I	no limitations on range of crops that can be produced
Class II	minor limitations
Class III	moderate limitations
Class IV	suitable mainly for pasture
Class V and VI	suitable only for pasture, hence, for some forms of livestock production
Class VII	no value for agriculture

The performance of each soil class, either for crops or for forage, varies significantly; Table 1 shows that the yield from Class II land, for instance, is only 80% of Class I land.

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1. Census farms are farms larger than one acre in size with products valued at $50 or more. Improved land consists of the total areas reported for the following four agricultural land use categories: crop land, improved pasture, summer fallow, and other improved lying idle. Unimproved land consists of the total areas reported for woodland (but not commercial timber tracts), unimproved pasture or grazing, and marsh or rocky areas.
2. Ministry of Agriculture and Food, Agricultural Statistics for Ontario, Annually.
3. The CLI was developed by a joint federal-provincial study team during the 1960's to provide uniform standards of evaluation of land capability. The CLI does not take into account any special or unique types of soil (for example, those used for tobacco or fruit-growing). These are a separate classification.

TABLE 1 Performance Indices of Soil Classes[1]

Class	Common field crops	Forage
I	1.00	1.00
II	.80	.80
III	.64	.66
IV	.49	.58
V	no value	.53
VI	no value	.44
VII	no value	no value

Although soil capability information, OMAF data and Census figures are different kinds of measures and cannot be correlated acre by acre, a growing number of analysts are claiming that the observed rate of decline in acreage of improved farmland is unacceptable.

They argue first that, while improved land does not necessarily comprise the best soils, it is not unreasonable to assume that soils with the best productive potential in an area are improved first.[2]

They also point out that the productive farmland base is modest and strictly limited. From a national perspective, just 13% (294 million acres) of Canada's land area is suitable for agricultural production, and less than half of this is capable of sustained production of common field crops. Only 19% (55 million acres) of total agricultural land is prime farmland (Classes I and II), suitable for a wide range of crops.[3] It is important to remember that these data pertain to the capability of land for agriculture, not its availability; the CLI does not indicate net acreages exclusive of developed lands.

Ontario figures largely in the overall agricultural land picture, not only because of the quality of its soils (Ontario contains half Canada's 10 million acres of Class I lands and 1/6 of the nation's Class II lands) but also because it is favoured by climate[4] and so can produce some crops that cannot easily be grown elsewhere (eg. the high protein soya and white bean crops). The province also provides a number of urban markets. Yet it is in

1. A. Patterson and E. Mackintosh, "Relationships between soil capability class and economic returns from grain corn production in Southwestern Ontario", Can. J. of Soil Science (56), August 1976. From work by D. Hoffman and J. Anderson at University of Guelph (1971).
2. See ARDA Report No. 7, op. cit., chap. 3.
3. Science Council of Canada, Population, Technology and Resources, Report No. 25, Ottawa, July 1976.
4. While Saskatchewan, for instance, has four times as much farmland as Ontario, its productive potential is only slightly higher than Ontario's.

Ontario where the rate of improved farmland going out of production has accelerated. The ARDA report in 1972[1] expressed concern that progressively fewer acres were being farmed, particularly in the "urban arc" area of Southern Ontario (the band of townships some 30 miles wide stretching from Port Hope-Cobourg in the east around to the western end of Lake Ontario). At that time the 1971 Census final counts were not available, so that the decline in improved farmland was underestimated. More recent work has shown that, around 1966, a "remarkable" structural change occurred in the Southern Ontario rural land market. Whereas during the 15 years 1951 to 1966 farmers had decreased their acreages of improved land in production at a very slow rate, in the 5 years from 1966 to 1971 they gave up their improved farmland *6 times faster* than in the previous period (Table 2). This means that about 200,000 acres of improved land per year was going out of production during the 1966-71 period.

TABLE 2 Annual Percentage Change in Land in Farms
Southern Ontario, 1951-1966-1971[2]

Region	Improved Land 1951-66 %	Improved Land 1966-71 %	Unimproved Land 1951-66 %	Unimproved Land 1966-71 %
I. Urban Arc	-1.12	-2.91	-1.32	-1.60
II. Central & Southwest	-0.09	-1.32	-1.76	-1.23
III. Eastern	-0.49	-2.77	-1.44	-2.43
IV. Shield	-0.94	-4.02	-2.97	-4.28
Southern Ontario Total	-0.32	-1.85	-2.00	-2.10

In response to this type of finding, the Science Council of Canada recently took the position that Southern Ontario farmland (in all regions) is in greater jeopardy than anywhere else in the country. Pointing out that in general half the farmland lost is coming from the best one-twentieth of our farmland, the Council noted that decision makers have only begun to realize the implications of such "profligate retirement of prime agricultural land".[3]

1. ARDA Report No. 7, op. cit..
2. See R.S. Rodd, "A Remarkable Change in the Rural Land Market", Notes on Agriculture, University of Guelph, April 1974. The Ontario Institute of Agrologists, "Foodland: Preservation or Starvation", Guelph, 1975 and the Science Council of Canada, op. cit., base their arguments on this finding.
3. Science Council of Canada, op. cit., p. 46.

Although the 1976 Census of Agriculture is not yet available to indicate the 1971-1976 trend, the yearly OMAF statistics between 1971 and 1975 show that the provincial grain acreage has risen (from 4.5 to 4.7 million acres), the drop in hay production has been stopped (stable at 2.7 million acres), and the decline in improved pasture has slowed (down from 2.3 million acres to 2.0 million acres, in comparison with 2.9 million acres in 1966). These crops account for almost 90% of total improved lands in Ontario's Census farms (1966 and 1971) and the observed changes can be attributed to the substantial price increases experienced during the 1972-1975 period in world markets for grain and fodder.[1] The trend toward the withdrawal of improved farmland has obviously slowed, although it does not mark a return to pre-1966 levels. It can even be argued that the world price rises (which are now starting to drop again) provided a weaker stimulus than one would have expected.[2]

The best available data show, then, that improved farmland, and probably some of our best soils, are continuing to be taken out of production. In past months, the provincial government has been developing a system whereby information on agricultural lands going into and out of production can be obtained from the assessment rolls. This could be a source of potentially more accurate data than any of the three mentioned earlier, but so far it reveals only the *current* situation in farming. Because no time series assessment data are available, it is misleading to compare this new information with the trends established using other sources.

The Causes of Farmland Withdrawal

Although media attention has focussed on the gobbling up of farmland by the direct outward expansion of cities and towns (streets, houses, schools, industrial plants, etc.), in actual fact the cause is not so direct or simple. Indeed, there are several causes — urban expansion, the economics of farming, rural non-farm development — and interrelationships between these causes.

The media's failure to place the extension of urban boundaries into perspective as a cause of farmland withdrawal may reflect the preoccupation of many citizen groups with city growth. The Niagara fruitlands controversy, of course, has reinforced this perception of the issue; here, clearly, the actual or intended expansion of towns and cities has been a significant part of the problem.

The confusion is somewhat surprising in that analysts have consistently attributed urban expansion with only a small role in the general reduction of farmland acreage. The Ontario Federation of Agriculture, the

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1. See R.S. Rodd, "The Crisis of Agricultural Land in the Ontario Countryside", pre-publication draft, August 1976. To be published in Plan Canada. The source of Rodd's data is OMAF, Agricultural Statistics for Ontario, various issues.
2. Rodd, ibid.

Science Council of Canada, and the ARDA study team, among others, have concluded that city growth is not the major cause of farmland retrenchment.

Analysts have been divided, though, as to the relative influence of two other causes: internal adjustments by the agricultural industry to changing farm economics and urban-oriented pressures on rural areas. Those who subscribe to the internal adjustment theory believe that land is being taken out of production mainly as a short-term response to the cost-price squeeze on agricultural operations. The cost-price squeeze refers to the pressure placed on farmers as costs of production (particularly energy and fertiliser) rise while the market prices for farm products remain stable, or even decline when supply exceeds demand. The response where farming is at best a marginal venture usually differs from the response where agriculture is reasonably profitable, but the general short-term effect, according to this argument, is declining acreage in active production. The implication of this view is that land comes back into production during periods of higher returns in farming.

Certainly there is much evidence supporting the idea that the economic vulnerability of agriculture gives rise to short-term losses in land and production. R.S. Rodd (1976), for instance, notes the fluctuating trends (by year and by region of the province) in farmland acreage in response to price changes. Yet some longer-term or more permanent reductions also occur. Rodd interprets the existing data to mean that, around 1966, the response by farmers to the prolonged cost-price squeeze changed. Whereas previously they had "held out" by varying their acreage in production, they then began to sell entire farm holdings to non-farm buyers. This has been a province-wide tendency even in areas where, because of their advantage in agriculture (superior soils and climate, good access to markets, and a well-developed agricultural service support system), the traditional response was frequently to enlarge holdings and so to spread fixed costs over larger productive acreages. Since 1972 market prices and farm incomes have been at record highs yet farmland retrenchment has continued, albeit at a lower rate. Clearly additional pressures are being felt.

Indeed, the weight of expert opinion is that *non-farm uses of rural land now are the predominant influence in farmland withdrawal.* In a paper to the Food Prices Review Board, E.C. Gray confirms that farmland losses in Southern Ontario have been substantial and argues that these losses are due to competing demands for the use of land rather than to an agricultural industry that is barely profitable.[1] This view holds that, although certainly the amount of farmland going into or out of production will vary from year to year, the overall trend for the long-term is a reduction, due to non-farm demands, in the land base for agriculture.[2] Non-farm demands for rural land

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1. E.C. Gray, "A Preliminary Paper on Canadian Agricultural Land-Use Policy". Food Prices Review Board, Reference Paper No. 3, February 1976.
2. See Alice Coleman, Canadian Settlement and Environmental Planning, Ministry of State for Urban Affairs, 1976.

are generally referred to as the "urban field influence". One of the influences is that non-farm buyers, many miles from an urban centre, are willing to offer more for land than even a highly productive and optimistic farmer could justify.

Factors underlying non-farm demands for rural land include the overall requirements of our economic system (for highways, or hydro lines, or pits and quarries), the increased use of the countryside as an interlude to or an escape from city life, speculative investment in land, and the purchase of land by individuals as a hedge against inflation. A complicating factor is the existence of a planning system that is almost totally urban-oriented, ignoring the needs of the countryside.[1]

Non-farm demands for rural land are viewed as a problem not just because of the amount of land that is used up directly but also because of the process of deteriorating conditions for agriculture which they set in motion. That is, the effects go far beyond the actual acres consumed by the new uses. Non-farm residential uses, for instance, can place additional demands for servicing (school buses, garbage collection, water, sewers) on hard-pressed municipal coffers. They can make the daily operations of farming more difficult; the Agricultural Code of Practice, which was instituted to protect neighbouring non-farm residents from any obnoxious effects of intensive livestock operations is evidence of this, as are complaints against such practices as fertilising and crop-spraying. More importantly, non-farm uses intrude upon farming areas so that economically viable farming units are increasingly difficult to establish or maintain. They fragment the network of agricultural support services and have a disruptive effect upon the social and political structure of rural areas. The inflationary pressure they create on land prices is a critical influence. When farmland can be sold at development value, rather than at agricultural value, this discourages both new entrants to farming and additional investment by established farmers in farm buildings or land holdings. Non-farm demand therefore reduces both the long-term prospects for the continuation of agriculture as well as the scope for internal adjustments in the agricultural industry in response to short-term market fluctuations.

In view of the above, the recent report on the causes of farmland withdrawal by the Urban Development Institute is not convincing.[2] The overall message of the report is that only a small amount of farmland reduction (less than 3.2 acres per hour) is caused by "urban development". Urban development is defined to include both non-farm rural development as well as outward expansion of urban centres. The study ignores the indirect effects on the operating environment for farming that this development creates. Further,

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1. This criticism has been made in the Subject to Approval report by the Ontario Economic Council (1973) as well as several more recent reports. Judging from the recent Green Paper on Planning for Agriculture, the provincial government agrees that some reorientation of the planning system for rural areas is required. The Province's approach is discussed in Section III.
2. Development Goals-Employment, Housing and Food, prepared for UDI by Bird and Hale Limited and M.M. Dillon Limited, February 1977.

the methodology as explained in the report seems questionable.[1] This study proved to be of little help to us in clarifying the issue of the causes of farmland withdrawal.

The Significance of the Declining Land Base

Turning to the third aspect of the problem, the significance of farmland withdrawal, the sides of the debate are clearly drawn.

Those who believe that the trend is a matter for concern point first to the loss of unique agricultural lands in Southern Ontario. The well-documented diminution of the Niagara fruitlands is considered symbolic of the ways in which a non-renewable resource can be wasted. Some would argue that, even though provincial authorities have modified Regional Niagara's official plan (excluding some 3,000 acres from the proposed urban areas), this is an "unsatisfactory compromise".[2]

The possible short and medium-term economic impacts of a gradual disappearance of farming from Ontario are also considered important. Within the current Ontario economy, agriculture is a major generator of personal incomes, creating from three to five dollars of personal income in other industries for each dollar of net income generated within farming itself. Within Canada, Ontario creates, on average, 25% of the total net income generated by farming. The province has a higher proportion of improved land in farms than any other part of Canada, and its gross sales of farm products represent 33% of the national total (1971 figures).[3]

Most concern, however, has been directed to the long-range implications of farmland retrenchment. The Ontario Institute of Agrologists (OIA), the body of scientists and other professionals involved in agriculture, has been the leading voice in the province arguing that, despite the surplus of food for our own needs now, we must be concerned with future food supplies for both domestic and world consumption.[4] The OIA calculates that, even if no further improved land went out of production, it would be difficult for Ontario farmers to produce enough food to satisfy Ontario's population 25 years from now. To do so another 2 million acres would have to be brought into production.[5]

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1. For instance, we wonder about the use of a random, province-wide sample to obtain a provincial average. Clearly the decline that is of interest is occurring in Southern Ontario. Northern Ontario has relatively little valuable farmland.
2. See Globe and Mail, Building and Real Estate page, 11 March 1977.
3. See R.S. Rodd, 1976, op. cit.. These figures are from Ministry of TEIGA, Ontario Statistics and Ontario Economic Review, and from Ministry of Agriculture and Food, Agricultural Statistics for Ontario.
4. Ontario Institute of Agrologists, op. cit..
5. Ibid., p. 14.

The future ability of Ontario's farmers to meet at least the province's food needs might be extremely important in a political sense. Clearly, as the Agrologists note, the recent energy crisis and the resulting shortages or price increases in some foodstuffs have made Canadians more aware of their dependence on other countries for food which might be produced here. Moreover, in a world where the amount of land suitable for agricultural production is finite and the population is expected to double by the year 2,000, "food power" may acquire a new significance in international trade as well as in world politics.

The Ontario Federation of Agriculture (OFA), the largest organization of farm producers in the province, acknowledged this importance of food power in its 1976 brief to the Provincial Cabinet, but also developed a second OIA theme of proper management of agricultural resources in a currently hungry world. The OFA suggested that self-sufficiency in food production be made a policy objective of the provincial government. Self-sufficiency would not mean producing everything that is consumed, but rather, producing the equivalent of what is consumed.[1]

It is clear from a reading of the provincial government's two statements on agriculture made in the past year[2] that the concept of self-sufficiency has not been adopted. There does appear to be agreement among the Province, the OFA, the OIA, and university researchers that maintaining the productive efficiency of Ontario's farmers and not closing off options for the future are paramount concerns.

The Province's stand, however, reflects another significant body of opinion that, despite the current land loss situation, there remains a strong future for agriculture. The argument that the observed decrease in farmland acreage provides no particular cause for alarm rests on three assumptions:

- that farmers are well able to produce sufficient food now for both domestic and trade needs, despite the progressively smaller area of land in production. In fact, runs the assumption, we are in a position of surplus, so that food prices are unrealistically low; this pleases people who live in the cities, but it also keeps farmers' incomes low;

- that we can rely in the future on further technological advances and, hence, increases in productivity; and,

- that the land is *not* irreversibly lost: in fact "it is right where it always was, the breeze is blowing over it, the rain falling on it, and it is ready to be used again in the future for agricultural purposes if it is needed, if its use is economically justifiable".[3]

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1. "Equivalence" in terms of monetary valuation and in terms of energy requirements for production.
2. Ministry of Agriculture and Food, "A Strategy for Ontario Farmland", March 1976, and the Green Paper on Planning for Agriculture, op. cit..
3. Remarks by the Hon. Darcy McKeough, Treasurer of Ontario, to the Kinsmen Club of Blenheim, 17 January 1977.

Are these assumptions too optimistic? Although it is undeniable that overproduction has been a traditional bane of the Canadian farm industry,[1] it is by no means certain that farmers can continue to increase their efficiency, as they have in the past. The trend to more intensive farming per acre of land clearly will be constrained in the future by, among other factors, the rising costs of energy and by environmental concerns about the pollution resulting from fertiliser and pesticide use or the destruction of sensitive natural systems.[2] The experts also warn us that our climate is becoming more variable, so that the uncertainty and risk involved in choice of crops is increasing. We know too that each class of land has inherent limits, so that increasing the amounts of labour and capital applied to it will not affect the relative yield differences between classes. Class III land, for instance, is no substitute for Class I because it will always yield just under 2/3 of the higher grade. Thus, the agricultural capability of the land going out of production takes on added importance.[3]

The assumption that land which has gone out of production is available and in reserve until economic conditions justify its return to farm use must also be questioned. It was mentioned earlier that rural non-farm uses are now the prevailing influence in the decline of farmland. The spatial distribution of these uses in relation to remaining productive farmland has an effect beyond the actual acreage consumed. It can destroy some of the prerequisites of economic agricultural operations: sufficiently large or contiguous farm holdings, and the supportive network of agricultural services and rural institutions.

The rising land prices and changing ownership patterns associated with non-farm uses further help to undermine the farm community. Rising land prices not only discourage new entrants to farming, but also foster among practising farmers, particularly older ones, the expectation of a better return than could be obtained from maintaining or expanding current farm operations. Even when farmers sell to non-farm buyers and the land continues in full- or part-time production, the prospects for farming change: with new owners not fully committed to farming, the time frame for the continuation of the agricultural use is shortened and efficiency drops.[4] This phenomenon has been noted particularly in the fringe areas around Metro Toronto, where there

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1. Coleman, op. cit., argues cogently that Canadian agriculture has been passing through a "prolonged period of acute dilemma" in which the short-term needs of the industry to respond to production surpluses have been diammetrically opposed to its long-term needs. She finds, however, that "today the long-term view is being more clearly seen as holding the balance of truth".
2. The ARDA report, op. cit., discusses limits to the reduction of land as an input at length.
3. The issue of productivity gains is further complicated by difficulties with the way in which productivity is measured. The commonly used index of physical production distorts the actual productivity of land because it contains a non-land dimension.
4. For instance, necessary capital investment for farm improvements may not be made, or top soil may be removed, or other poor farming practices followed.

has been a good deal of speculative land purchase.[1]

Therefore it appears to matter little whether farmland remains *physically* available, unbuilt upon. Once an uncertain environment for farming is created and the supporting service and institutional structures dismantled, it may be difficult if not impossible to rebuild a farm community. And changing ownership patterns further challenge the argument that land can be returned to farming when needed. They raise the economic and political questions of: *at what costs?*

Summary Statement of the Problem

Although some myths about the nature and significance of the farmland problem continue to confuse politicians, bureaucrats and the public, we suggest there is enough evidence to grasp the real issues.

The scope of the problem is considered unacceptable because Ontario is endowed with a disproportionate share of Canada's best lands, which in total are modest and limited, and it is these lands which are being taken out of production.

The lands are valuable not only because of soil and climatic factors but also because there is easy access to urban market areas. These, of course, are the conditions that make the land desirable for uses other than agriculture.

Ironically, the lands that are best suited for farming are going out of production mainly because they can fetch a higher price in other uses or, simply, in non-use (as frequently occurs when an individual buys land solely as an investment or as a prestige purchase). This argument does not deny the fact that conditions favouring agriculture will vary from time to time or from region to region. Rather, it denotes general acknowledgement that rural non-farm pressures are widespread throughout the province and constitute the largest single cause of farmland loss, both direct and indirect.

Those who contend that there is no crisis in agricultural lands have failed to define what they mean by "crisis". The implied definition is that no one is starving. Yet the key point appears to be that what is happening to farmland now is affecting the whole agricultural industry so that our future flexibility and competitive advantage is becoming impaired.

Thus the problem is about much more than what some have termed "food for the cities". It concerns the social climate which determines how our resources are used: whether they are regarded as commodities to be bought and sold to the highest bidder, or whether they are valued for the public benefits which they bestow and therefore must be used carefully, with

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1. See L. Martin, "Land Use Dynamics on the Toronto Urban Fringe", Land Directorate, Environment Canada, 1975. Martin distinguishes the land use exchange phenomenon as distinct from land use change, but notes that the overall trend is toward permanent conversion of rural uses to urban-oriented uses of land.

minimum waste. The available evidence suggests that if the present pattern continues, Ontario will be using its farmland resources unwisely, and will be creating future economic, social, and political problems. The question looming before us is: what are the appropriate policies for changing this pattern?

III. The Policy Choices

Politicians have tended to stress two main policy choices: supports to the agricultural industry and land use planning.[1] The two are not mutually exclusive, but in any "policy package" the relative emphasis on the two varies, as does the locus of responsibility for implementation.

The theory behind supports to the agricultural industry is that such programmes will make farming economically viable (or, improve the competitive position of the farmer) and therefore encourage farmers to stay on the land. Supports for the economic viability of farm operations are varied. They include broad tariff and marketing arrangements, preferential tax treatments, direct income supplementation plans, land leasing and inter-generational transfer schemes, and research and education programmes. Farm policy has been most extensively developed in this area.

The federal government is actively involved through its setting of tariff regulations and import controls, participation in shared-cost programmes (such as ARDA and the CLI), development of marketing strategies for selected farm products, and its Agricultural Stabilization Act.

In Ontario the provincial government has also taken a direct role in ensuring the security of the individual farmer. It supports farm products marketing organizations, whose main concerns are with price stability and the bargaining strength of producers. The Province also recently passed its Farm Income Stabilization Bill which will provide a voluntary, contributory plan to guarantee a support price for selected farm products.[1] Since 1970 the provincial government has operated a programme of property tax rebates whereby 50% of total tax paid[2] is rebated to the owner of farm property which generates products valued at $2000 or more annually.

On the direct funding side, the Province operates various programmes of capital and other assistance to encourage the improvement of farm operations (improvements to land drainage, farm buildings, herds, etc.).

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1. Bill 131, yet to be proclaimed. The plan will guarantee a support price of 95% of the average price for the previous five years on farm products covered by a similar federal plan to the 90% level. That is, the Provincial contribution will be an additional 5%. The Ontario Federation of Agriculture has declared that the level of support this plan offers will be inadequate.
2. Originally 25%, in 1973 the rate was changed to 50%. Some critics say that these rebates serve more as tax breaks than as bolsters to farmer security.

To ensure that new technology is developed and transferred to practising farmers, the Ministry of Agriculture and Food is involved in research and special education programmes and, in addition, maintains a field staff of regional agricultural representatives who offer advice and assistance on aspects of farm management.

In comparison, the land use side of policy pertaining to agriculture has been much less developed. This is not to say that there is no land planning system; on the contrary, Ontario has in place a quite elaborate planning system. The system is hierarchical. Responsibility for the drafting and implementation of official plans, secondary plans, and zoning by-laws rests at the municipal level, while the Province itself has opted for a monitoring, supervisory and approval role. Nevertheless, many critics have urged that, if Ontario's most productive farmland is to remain available for farming, a stronger, province-wide framework (and hence provincial government role) is required. They have based their recommendations on the track record of planning in Ontario.

First, the thrust of the Province's "Design for Development" strategy when it was announced 11 years ago was to create a balanced pattern of growth throughout Ontario, dispersing population and economic growth to the lagging regions of the province and structuring growth in the central Ontario region in such a way as to prevent sprawl. The protection of good agricultural lands was considered an advantage of the strategy. Yet to a large extent the objectives of this regional development programme are still to be achieved. In a companion report to this Comment (BMR Comment No. 166, "Design for Development: Where Are You?"), we have traced the evolution of regional development and evaluated its accomplishments to date. It is sufficient to note here that the pressures which appear to cause the decline in the agricultural land base still continue.

Second, the Urban Development in Rural Areas (UDIRA) policy, announced in ministerial statements at about the same time as Design for Development (1966) is now widely considered to have failed. The original intent was to enable local municipalities to direct non-farm residential development to areas where the servicing infrastucture was already in place or could be easily extended. Critics have argued that UDIRA was really just an accumulation of stop-gap measures devised as a quick, pragmatic answer to specific development pressures and that, in effect, it has provided official channels for non-farm development, particularly scattered residential development, in rural areas.[1]

The provincial government's reliance on the ability of local municipalities to cope with resource planning problems is a third area where criticism has been directed. The concern has been that, without an overall policy guide, local zoning and official plans are inadequate for the task;

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1. See, for instance, the recent report of the Rural Ontario Municipal Association, Report on Planning in Rural Ontario (Revised), February 1977, and Ministry of Housing, Countryside Planning: A Pilot Study of Huron County, James F. Maclaren Ltd., 1976.

these planning tools are oriented first to controlling urban development, not to preserving agricultural land. They have traditionally treated rural land as a holding category for future development. There has been additional concern that municipal councils face social, political, and financial pressures that predispose them to look favourably on applications for severances and development of farmland.[1]

Two recent actions by the provincial government demonstrate that planning for agriculture has been recognized as an issue. First, the Food Land Development Branch was set up within the Ministry of Agriculture and Food in 1974 to ensure that agricultural concerns were considered in land use decisions. This marked the first official recognition by the Ministry that the problems of its main client, the farmer, were tied to the ways in which land was allocated among competing uses.

Second, exactly one year ago, in March 1976, the Ministry of Agriculture and Food issued its policy statement "A Strategy for Ontario Farmland". This document set out the provincial government's intention to proceed with two broad initiatives: measures to ensure that the better lands were retained for agricultural purposes, and programmes to maintain the economic feasibility of using this land. But clearly, in relation to the first, the Province had decided that it would continue to rely on municipal planning and control. The direct involvement of the provincial government was confined to the second initiative, and here its role would be a permissive, enabling one, providing programmes for agricultural development that would support and create a "free enterprise rural environment".

Some media commentators have interpreted the recently released Green Paper on Food Land Guidelines as a change in the emphasis of the Strategy. In our view, this is not the case; the Guidelines are an elaboration of one part of the earlier document. They have been presented in the form of a discussion paper and so are *not policy*.[2] The Green Paper reaffirms the Province's commitment to maintaining "a permanent, secure and economically viable agricultural industry for Ontario, not only as a producer of food, but as an important component of our economic base, a source of employment, and as the basis of the rural community and the rural way of life". The Paper restates the earlier assumption that the amount of land that is in production at any particular time is determined by the trends of the marketplace, and then focuses on local land use policies which "must assure that as much as possible of the land area with the capability[3] for agriculture is kept available for farming when needed". Accordingly, it sets out guidelines which

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1. C.G. Runka, "Jurisdictional Rights: Who Has the Responsibility?", Agrologist (4), Autumn 1975, pp. 19-21.
2. Although the Green Paper has not yet become official policy, the Ministry is basing its review of local planning decisions on these guidelines.
3. "Capability" is defined in the Green Paper as the most suitable land in terms of unique characteristics, a concentration of the highest class soils, access to markets, or otherwise feasible for productive and efficient agriculture. It therefore differs from the narrower and more conventional soil capability definition.

outline the considerations necessary to incorporate agricultural concerns into municipal land use planning.

The government's approach to preserving the agricultural land base as seen in the Strategy and the Green Paper helps to clarify the policy choices in the farmland debate. It raises two separate but related questions:

1. *How much can we rely on supports to the agricultural industry either to halt farmland withdrawal or to keep farmers farming?*

Because policies or programmes aimed at making the farmer better able to compete are based on a belief in the market system, it is useful to remind ourselves of the limitations of the marketplace when land is involved. The noted economist Barbara Ward cautions that "the unfettered market gives the wrong long-term answer simply because rising prices do not fulfill their classical function of making more of what is needed available".[1] The Science Council of Canada queries the notion that the marketplace is always the best means of determining priorities and states unequivocally that the market mechanism cannot be counted on to protect the best agricultural land. In the Council's view, "the preservation of farmland [through land use policies] does not, by itself, guarantee its use for food production — but it is a necessary first step".[2]

On a practical plane, it seems highly likely that neither the market nor levels of public support for farm prices, incomes or productivity could ever be high enough to allow farming to pay prices for land equal to those which non-farm uses can command throughout most of Southern Ontario. For the government to provide such levels of support would require higher food prices, higher taxes, increased subsidies to low-income consumers, and unacceptable controls on imports of food from other provinces and other countries.

2. *Is reliance on local planning and control sufficient to ensure the retention of our farmland?*

Without discussing the Green Paper guidelines point by point, it seems fair to say that they do represent a "new methodology"[3] for rural land use planning. It looks as if they have met one of the serious criticisms of Ontario's planning, that it fails to understand how rural systems work.

It is also fair to note that several municipalities have laid the groundwork for the formulation of these guidelines by incorporating agricultural concerns into their official plan statements. In the development

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1. Barbara Ward, "The Inner and the Outer Limits", Canadian Public Administration (Fall, 1976), p. 408.
2. Science Council of Canada, op. cit., pp. 40, 46, 48.
3. R.S. Rodd and W. vanVuuren, "A New Methodology in Countryside Planning", Canadian Journal of Agricultural Economics, Workshop Proceedings, 1975, pp. 109-140.

strategy of the Northumberland Area Task Force the agricultural priority is the general basis on which other priorities have been established.[1] Similarly, Huron County has based its official plan and subsequent studies on a broad agricultural perspective. The regional municipalities of Durham and Waterloo have designated certain lands as more or less permanent agricultural areas and have outlined the other uses allowed in such areas and how these should occur.

Since only the Huron plan has so far been given official plan status by the Province, it remains to be seen whether in practice these new local policies provide more than the traditional holding function for agriculture. The Christian Farmers' Federation, in addition to critics mentioned earlier, does not believe municipal authorities will be able to successfully implement stronger protective measures.[2] Others feel municipalities can do so if they make the political commitment and if the provincial government stands consistently behind local decisions — through provincial staff support at the Ontario Municipal Board as well as through its normal course of plan and by-law review. Still others wonder how all the local decisions will add up in the absence of a province-wide strategy or plan that attempts to systematically reconcile the prospective needs for land for differing purposes with the available land resource.

Certainly an attempt to impose stronger land use controls through legislation rather than guidelines would meet with opposition. Municipalities would be sensitive toward further encroachment upon their autonomy by the senior level of government. Farmers, particularly those about to retire, would claim that they had been unjustly deprived of their only security.[3] But equally, even the guideline approach means that municipalities and their residents will have to accept a higher-density pattern of development and that the controversial issue of compensation will have to be dealt with.[4] The question remains: in order to safeguard productive farmland, is a permissive approach to land use control enough?

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1. Northumberland Area Task Force, Northumberland Area Development Strategy, Ministry of TEIGA, December 1975. The Strategy has not yet been drafted as an official plan statement.
2. Christian Farmers' Federation of Ontario, Brief to the Hon. Wm. Newman, Minister of Agriculture and Food, November 1976.
3. Farmers as a group are very much divided, between the older and the younger producers and between regions of the province, as to the desirability of any further land use controls. The Ontario Federation of Agriculture itself reflected this tension at its annual conference last summer.
4. See W. vanVuuren, "Distribution of Gains and Losses Resulting From Planning Legislation: the Compensation-Betterment Problem", School of Agricultural Economics and Extension Education and Centre for Resources Development, University of Guelph, August 1976.

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