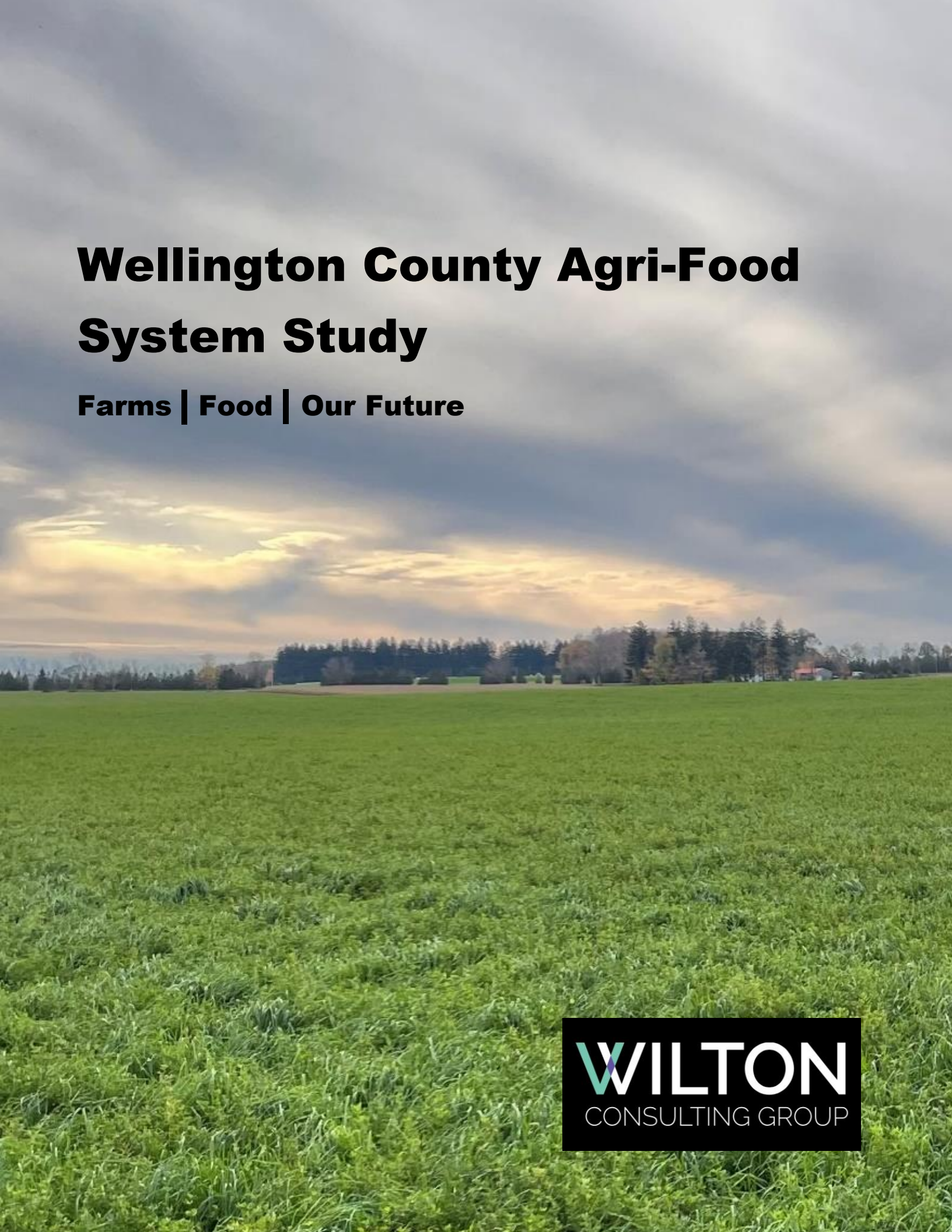
Wellington County Agri-Food System Study

Farms | Food | Our Future



WILTON CONSULTING GROUP

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Executive Summary

The agriculture and agri-food system plays a key role in Wellington County's economy. Supporting the viability of this system must be a key priority as the County's population is expected to grow by approximately 61% by 2051. This growth is putting noticeable pressure on farmland in Wellington County, and across Ontario. As the County of Wellington grows, it is important to consider the role of agriculture for local and regional food security, the environment, and society while balancing the need to make room for a growing community.

As the County of Wellington prepares plans to support a growing population over the next 30 years, it is important to communicate the value of the agriculture and agri-food system. This report comes at a time when:

- The County of Wellington is completing an Official Plan Review to prepare for growth.
- This is being completed through a Municipal Comprehensive Review as well as a 5-year review.
- The province of Ontario recently proposed sweeping changes to planning policy in the province, that could have potentially widespread implications for agri-food system planning.
- Without consultation with local area municipalities, The Ministry of Municipal Affairs and Housing unilaterally extended several urban boundaries in Wellington County through Official Plan Amendment (OPA) 119; extending the urban boundary into more than 1,000 acres of agricultural land.

Now more than ever, we must understand and communicate the value the agriculture and agri-food system has for the economy, environment and society. As such, the Wellington Federation of Agriculture (WFA) commissioned this research project to examine one of these areas; the economic impact of the agriculture and agri-food system in the County and opportunities for further growth and development.

Key Findings

Agri-food system's total economic contribution

- **$2.8 billion** to Canada's Gross Domestic Product (GDP)*, which is **5%** of Ontario's agri-food industry's total contribution
- **$496 million** in labour income within farm and upstream jobs
- **$79 million** in provincial and federal tax revenue
- **35,943** jobs and **6,621** full-time equivalent jobs

Primary Agriculture

- The **growing conditions** and **high-quality soils** in Wellington County make it a valuable asset in feeding the community, Ontarians, Canadians, and the world.
- Wellington County farmers are innovators in adopting **sustainable farming practices.**

Agri-Food Processing and Value-Added Activities

- The County's location makes it an ideal place for **agri-food processors** to locate their business; the County has experienced growth in this sector from 2016-2021.
- Wellington County's **livestock** production and processing capacity is a key asset for agriculture, the environment, and food security.

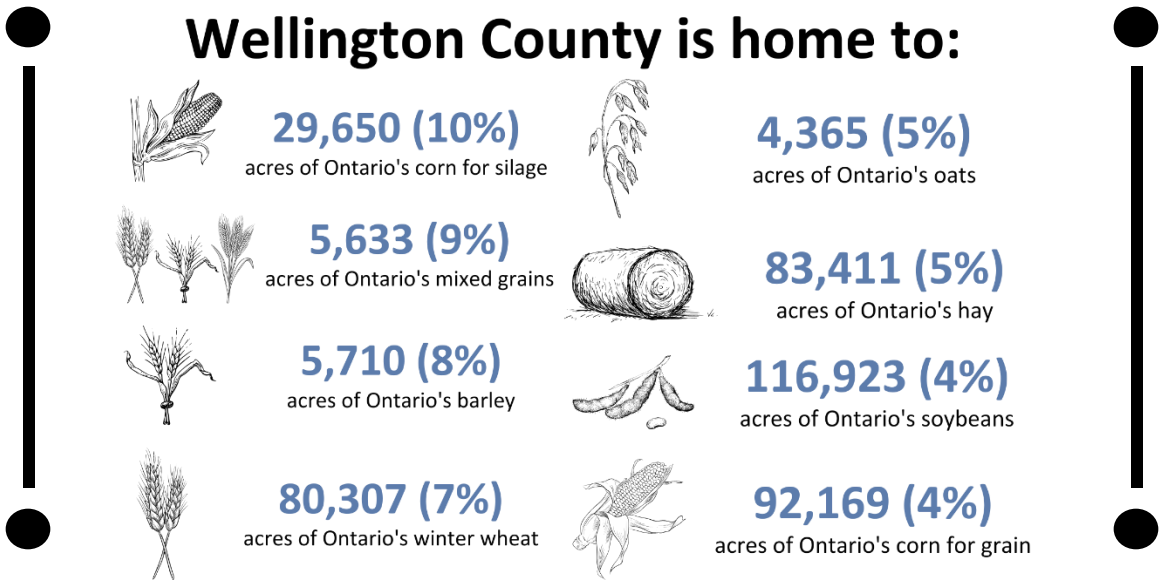
Agriculture Inputs and Services

- Wellington County has a **strong input and services sector** that differentiates it from other rural Ontario communities.

**contributions to Canada's GDP are higher due to inputs being sourced from other provinves.*

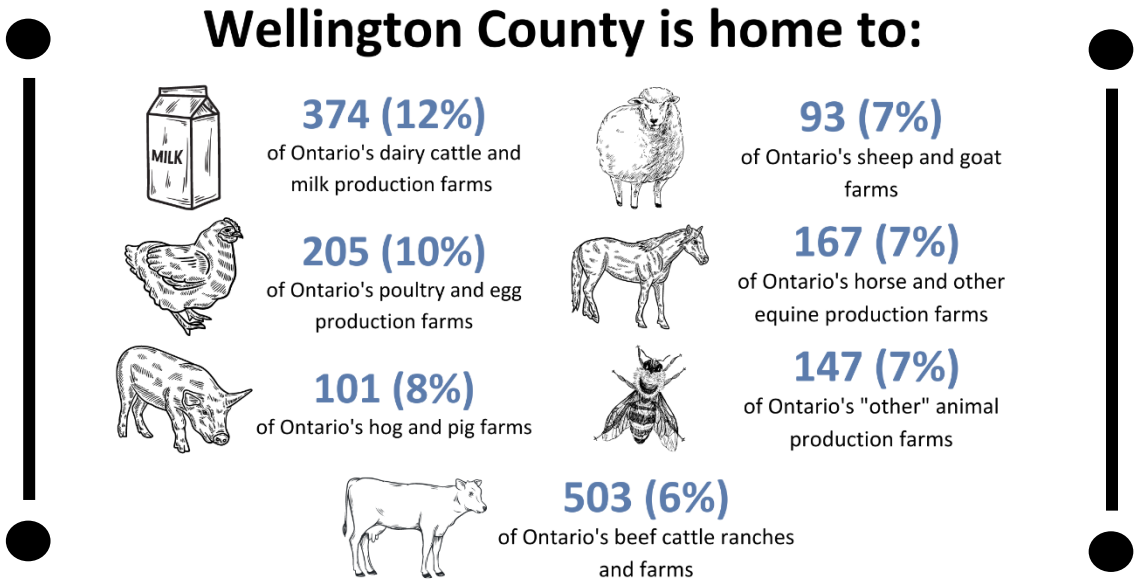
Leader in Field Crop Production

Wellington County farmers produce 10% of Ontario's acreage for corn to silage, 9% of mixed grain, and 8% of Ontario's barley. The County's grain and oilseed farmers contribute significantly to Ontario's economy, accounting for 4% ($189.28 million) of the provinces in gross farm cash receipts. In addition to field crops, Wellington County also has 324 farmers that produce a variety of fruits and vegetables.



Powerhouse in Livestock Production and Processing

Wellington County is a powerhouse in livestock production and processing. The County is home to 12% of Ontario's dairy cattle and milk production farmers, 10% of the province's poultry and egg farmers, and 8% of the hog and pig farmers. The livestock production and processing sector in Wellington County generates $223.96 million in dairy production sales, and $220.68 million in poultry and egg sales.



Challenges and Opportunities for Protecting and Growing Wellington County's Agri-Food System

Based on the findings from the research, Wellington County's agriculture and agri-food system faces the several challenges and opportunities. Stakeholders in the County can all play a role in protecting and growing this agri-food system.

Challenge	Opportunities
1 **Wellington County's growing population** *The County's population is projected to grow rapidly between now and 2051. Steps must be taken to support the growth of the agri-food system and educate the public about the importance of agriculture.*	✓ Supporting local Fall Fairs and Agricultural Societies as educators ✓ Leveraging opportunities to educate school-aged children ✓ Boosting the local food economy
2 **Protecting Wellington County's Prime Agricultural Land** *Soil is a non-renewable resource, and Wellington County is one of few areas in Canada with an abundant reserve of the highest-quality soils for growing food.*	✓ Continue to collaborate with industry partners to promote beneficial management practices ✓ When making policy decisions, consider the economic, social, and environmental value of farmland
3 **Growing entrepreneurship in agriculture** *Wellington County farmers are nearing retirement without plans to transition their farm business. At the same time, farmland values are at an all-time high, and it is difficult for new entrants and the next generation to farm.*	✓ Continue to foster entrepreneurial opportunities for Wellington County farmers, including new farmers, new farm activities, new Canadians, and the next generation of farmers ✓ Support efforts to help with farm transition planning

Contents

1.0 Introduction

The agriculture and agri-food system plays a key role in Wellington County's economy. Supporting the viability of this system must be a key priority as the County's population is expected to grow by approximately 61% by 2051. This growth is putting noticeable pressure on farmland in Wellington County, and across Ontario. As the County of Wellington grows, it is important to consider the role of agriculture for local and regional food security, the environment, and society while balancing the need to make room for a growing community.

As the County of Wellington prepares plans to support a growing population over the next 30 years, it is important to communicate the value of the agriculture and agri-food system. This report comes at a time when:

- The County of Wellington is completing an Official Plan Review to prepare for growth.
- This is being completed through a Municipal Comprehensive Review as well as a 5-year review.
- The province of Ontario recently proposed sweeping changes to planning policy in the province, that could have potentially widespread implications for agri-food system planning.
- Without consultation with local area municipalities, The Ministry of Municipal Affairs and Housing unilaterally extended several urban boundaries in Wellington County through Official Plan Amendment (OPA) 119; extending the urban boundary into more than 1,000 acres of agricultural land.

The Wellington Federation of Agriculture (WFA) commissioned this research project to examine the economic impact of the agriculture and agri-food system in Wellington County and present opportunities for community stakeholders to continue to support the growth and further development of the system.

This report includes a summary of research methods, an in-depth look at the agri-food system in Wellington County, and an overview challenges and opportunities for the future growth and development of the agriculture and agri-food system in Wellington County.

2.0 Methods

This project used multiple approaches to gain insight into the current state of the agriculture and agri-food system in Wellington County, as well as future opportunities for the system (Figure 1). The findings from the literature and data review, and engagement activities are synthesized and integrated throughout section 4.0 and 5.0.

Literature and Data Review

- Reviewed relevant literature and government/industry reports to understand the state of agriculture in Ontario and Wellington County
- Reviewed agricultural census data to identify potential trends in agriculture in Wellington County

ConnectON Maps

- Used the ConnectON asset mapping tool to visualize the location of agriculture activities in Wellington County

Economic Impact Analysis

- Determined direct, indirect and induced economic impacts for Wellington County's agri-food system

Community Survey

- Heard from 155 people, including farmers, residents, members of the business community, and municipal councillors
- Learned how respondents interact with agriculture and their views on the importance of protecting farmland in Wellington County

Focus Groups

- Held two community focus groups (one virtual and one in-person) with a total of 16 participants

Key Community Members Interviews

- Conducted interviews with a total of nine farmers and agri-business operators in the county
- Gathered perspectives on the current state of agriculture in the community, as well as on future developments

Figure 1. Key activities of study methods.

Environmental Scan and ConnectON Maps

Relevant industry and government reports were analyzed to determine the current state of agriculture in Wellington County, as well as trends in the industry. The 2021 Ag Census data was also used to understand how the industry has changed since previous census years (2011 and 2016). This background research informs Sections 4 (Findings) and 5 (Challenges and Opportunities for Protecting and Growing the Wellington County Agri-Food System) of this report.

ConnectON is an asset mapping platform for the agri-food and manufacturing sectors.[1] This tool is a collaboration between ConnectON staff and municipal partners across Ontario. Current data at local and regional levels can be obtained through analysis of the over 70,000 data points. Using ConnectON allows for a visual and spatial analysis of the current state of the agricultural industry in the county.

Economic Impact Analysis

To round out the agri-food system review in Wellington County, Serecon Inc., a firm specializing agricultural economics, was engaged to complete specific elements of an economic impact analysis.[1] Three components of the agri-food value chain within Wellington County were separately assessed. The detailed and available data related to primary agriculture allowed for a thorough economic impact analysis of primary production. Food manufacturing and retail were also assessed as was the contribution of the public agricultural research farms (Figure 2).

Upstream economic activities are those that happen prior to the production of a particular good or service. For example, the production of fertilizer, seed and farm equipment are considered upstream activities of wheat production. In contrast, downstream activities are activities that happen after the production of a particular good or service. For example, the milling of wheat into flour is a downstream activity of wheat production. These various chains of economic activity are quantified using Statistics Canada's aggregated provincial and national product and service flow data. Analyzing the product and service inputs allows for the estimation of economic impacts occurring because of the economic activity occurring at one level of the agri-food value chain. The degree to which the production of one good or service drives demand for upstream and downstream activities is described as the multiplier effect.

[1] Wilton Consulting Group subcontracted Serecon to do this work.

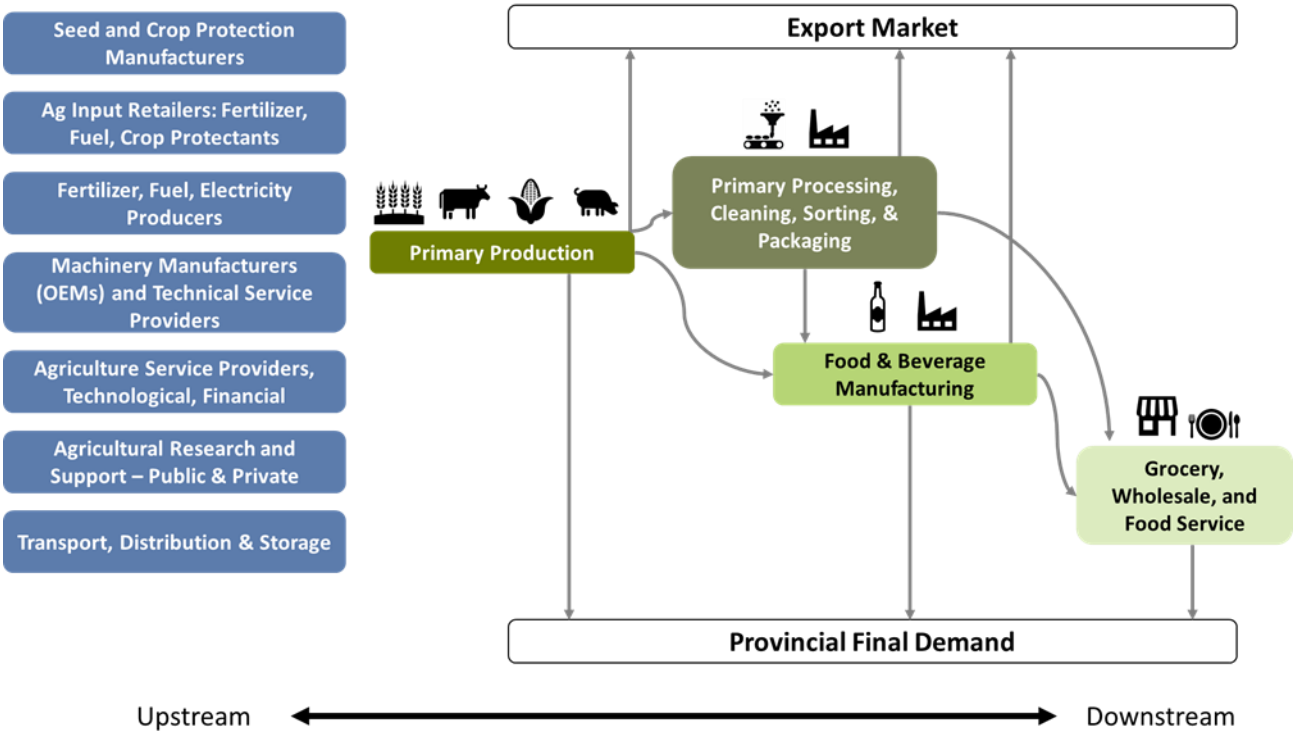


Figure 2. Agri-food value chain components included in the economic impact analysis.

The impact analysis was developed using data for demand for agriculture and agri-food products, assessing the multiplier effect of this demand, and generating the resulting economic impact (figure 3). Economic impacts may be measured or summarized by several metrics. The most common figures to include are impacts to Gross Domestic Product (GDP)[2], Full-Time Equivalent (FTE)[3] employment, tax revenue[4], and Total Economic Output.[5] Figure may be estimated with consideration for the economic activity resulting within Ontario. Figures can also consider the broader national impacts by including interprovincial impacts.

[2] The total value of goods produced and services provided in a country during one year.
[3] One FTE is considered a 40-hour work week.
[4] The money collected from federal and provincial taxes.
[5] The total value of goods and services produced.

Figure 3. Summary of input-output model.

Not all economic indicators for food manufacturing and retail were available. The output, tax revenue, labour income, and FTE jobs figures presented in this report represent the impacts attributed to agricultural production and agricultural research only. As such, they do not reflect the full impact of the agriculture and agri-food system in Wellington County and should be considered as approximations.

Economic impacts from a defined set of economic activities include three categories of impact: direct, indirect, and induced (Figure 4).

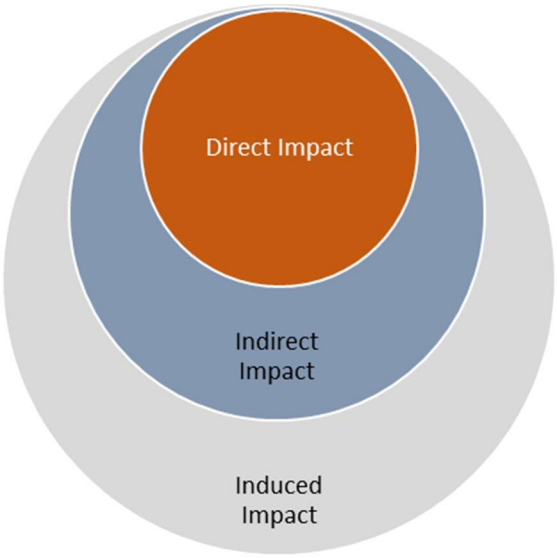


Figure 4. Categories of economic impact.

Induced Impacts: Impacts of spending the increased household income resulting from the new economic activity (e.g., spending by employees of the fertilizer manufacturer)

Direct Impacts: Impacts on the expanding industry - payments made to suppliers of labour, equipment and services by the industry where the new economic activity takes place (e.g., payments by farmers to employees, purchasing fertilizer, etc.)

Indirect Impacts: Impacts on the upstream industries that supply inputs to the industry creating the new economic activity (e.g. fertilizer manufacturers must increase production)

In order to avoid double counting, researchers measured and modelled the economic impacts of primary agricultural production and to consider the economic impacts of food manufacturing, retail, and agricultural research separately. This approach incorporates all components of the agri-food supply chain as depicted in Figure 4 above.

For more information on the economic impact analysis methodology, see Appendix A. The economic impact results are presented in Section 4.0.

Community Survey

A community survey was conducted between February 14, 2023 and March 10, 2023 to gather information about understandings and opinions on agriculture. A total of 155 people who live and/or work across the county completed the survey. Most survey respondents (67%) reside in the County. Additionally, half (51%) of survey respondents identify as farmers. Many of the respondents who are residents of Wellington County are also agri-business owners or farmers. For more information about the survey results, please see Appendix C.

Focus Groups

Residents and business members of Wellington County could participate in one of two focus groups to share insights on the County's agri-food system:

- An in-person focus group in Palmerston, Ont. on March 2, 2023
- A virtual focus group on Zoom on March 7, 2023.

In total, 16 community members participated. They shared their thoughts on the current state of agriculture in Wellington County. Participants were also asked to share their concerns and hopes for the industry moving forward.

Key Community Member Interviews

WFA members helped to identify key people who have a vested interested in agriculture in Wellington County. In total, nine people – including farmers, representatives of regional not-for-profit organizations, and business members of the county – participated in the interviews. Interviews were approximately 30 minutes in length and allowed for an in-depth discussion on the state of the agri-food industry in Wellington County.

For a full list of questions, please see Appendix B.

Limitations

The research for this project was completed prior to the release of the Government of Ontario's review of the Provincial Policy Statement and the approval of the amendment to Wellington County's Official Plan (OPA 119). Both documents will inform land use planning decisions in Wellington County that impact the agricultural industry. This report provides insights into the opportunities for agri-food system growth. The report does not include targeted insights about the challenges and risks associated with these Provincial planning policy decisions.

For more information about the recent changes to Ontario's Planning Policies, please see this recent report prepared by OSLER, and the Ontario Federation of Agriculture's submission regarding the proposed Planning Act changes as specified in schedule 6 of Bill 97.

> *Ontario's agricultural lands are a finite and shrinking resource. We cannot sustain continuing losses of agricultural land while maintaining our ability to produce food, fibre, fuel, flowers, and nursery stock from this limited and declining agricultural land base. Therefore, any proposals looking at increasing housing supply must be done with consideration to the needs and support of the agricultural community.*
>
> - OFA Submission regarding Schedule 6 of Bill 97

3.0 About Wellington County

Wellington County is in Ontario's Greater Golden Horseshoe in Southwestern Ontario (Appendix A). The County is made up of seven member municipalities, including the towns of Erin and Minto, and the townships Centre Wellington, Guelph/Eramosa, Wellington North, Mapleton, and Puslinch. Within these member municipalities, several urban centres and rural hamlets exist. For example, the County's urban centres include the towns/townships of Fergus, Elora, Arthur, and Mount Forest, the villages of Alma, Harriston, Belwood, Drayton, and Clifford.

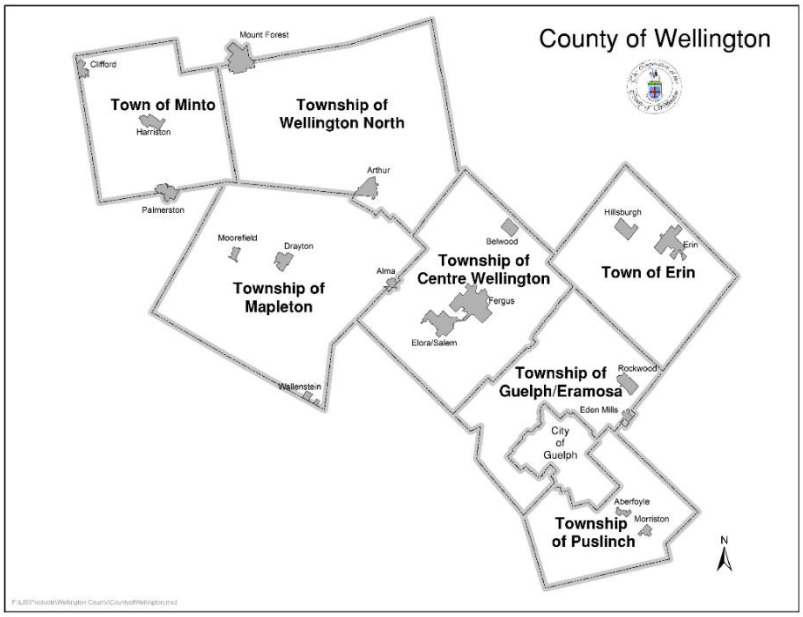


Figure 5. Map of the County of Wellington. Source: https://www.wellington.ca/en/resident-services/resources/Planning/mappage/Municipal-Boundaries---Sept-2021.pdf.

Wellington County has a vibrant economy. People in Wellington County enjoy the benefits of small town living and rural life, while experiencing the convenience of proximity to major urban areas in the Golden Horseshoe. Numerous post-secondary schools are located nearby, including the University of Guelph, University of Waterloo, Wilfrid Laurier University, and Conestoga College.

Fact

Wellington County's population is expected to grow by 61% between 2021 and 2051.

Growth Pressures in Wellington County

As of 2021, Wellington County was home to over 97,285 people.[2] Many people are drawn to the County's natural beauty, thriving economy, and sense of community. The population of the County grew by 7% between 2016 and 2021.

Wellington County is expecting its population to grow to approximately 160,000 people by 2051, which is a 61% increase from 2021.[3] This population increase is expected to result in a demand for 27,000 new jobs.

This population growth means Wellington County will need to support the need for 22,000 new households, or 730 new households every year until 2051. The County has a population growth allocation plan to distribute this population growth to the 7 member municipalities between 2016 to 2051 (Table 1):[4]

Table 1. Growth allocation for each municipality in Wellington County from 2016-2051.

Municipality	New residents by 2051	Percent contribution to Wellington County's total population growth
Centre Wellington	29,200	44%
Erin	14,500	22%
Wellington North	8,200	12%
Minto	6,300	9%
Mapleton	4,400	7%
Puslinch	2,400	4%
Guelph/Eramosa	1,500	2%

Without consultation with local area municipalities, on April 12, 2023, The Ministry of Municipal Affairs and Housing unilaterally extended several urban boundaries in Wellington County through Official Plan Amendment (OPA) 119. The changes extend the urban boundary into more than 1,000 acres of agricultural land, mostly within Centre Wellington (lands adjacent to Fergus and Elora), in addition to 37 acres in Guelph Eramosa, and 15 in the Town of Minto.[5]

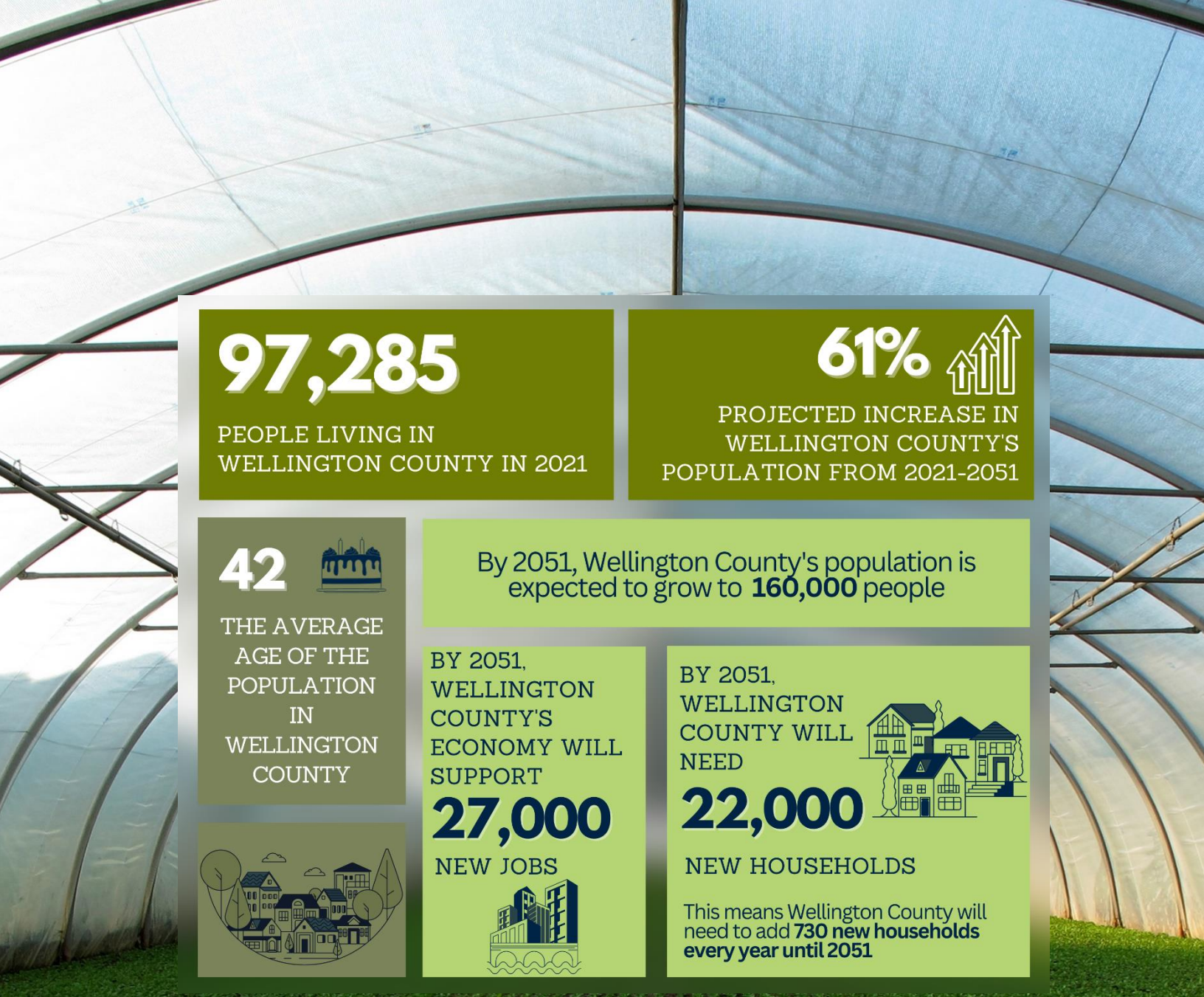


Figure 6. Key facts and figures about Wellington County's population. Sources: Statistics Canada. 2022. Census Profile. 2021 Census., County of Wellington (2022). Phase 1 MCR Report: Urban Structure and Growth Allocations.

4.0 The Agri-food System in Wellington County

Agriculture, food, and the supporting supply chains of these sectors in Wellington County are a significant contributor to the Ontario economy.

This section of the report presents the existing and developing trends that impact Wellington County's agri-food system. This section of the report also identifies associated challenges and opportunities.

Wellington County's agri-food system is described in this section in three broad components (figure 6).

Figure 6. Overview of agri-food system components with examples.

4.1 Primary Agriculture

Wellington County has a strong primary agriculture sector. In fact, it contributes more than $841 million to Ontario's GDP and more than $986 million to Canada's GDP.[6] Wellington County accounts for a notable portion of the provincial agricultural supply chain with 5.8% of 2021 provincial farm cash receipts and an estimated 5% of the contribution of Ontario's agri-food value chain to the national GDP. This section details an overview of the County's primary agriculture sector and includes highlights of key strengths.

Economic Impact

Wellington County's primary agriculture sector economic contribution:

More than $841 million to Ontario's GDP

More than $986 Million to Canada's GDP

12,260 jobs and 6,556 full-time equivalent jobs

$79 million in tax revenue for the provincial and federal government*

* *Please note that because tax rates are subject to frequent change and due to changes in tax policy, the tax revenue impacts in this report should only be considered approximations.*

Figures are for 2021. Prepared by Serecon; see Appendix A for more details.

[6] The contribution to Canada's GDP are higher due to inputs being sourced from other provines.

Growing Conditions

The farmland in Wellington County is made up of some of the most productive soils in Canada. In total, Wellington County has 540,703 acres of Class 1-3 soils, which is known as prime agricultural land.[7] In fact, 81% of the County's soils are Class 1-3. Wellington County accounts for 3% of Ontario's total prime agricultural land.[6]

The County's climate is favourable for producing a wide range of agricultural commodities including field and horticultural crops, livestock, dairy, eggs and poultry and specialty products like maple syrup and honey.[7] Wellington County receives upwards of 2,750 Crop (Corn) Heat Units[8] per year, which is amongst the highest in Canada. [8,9,10] Generally, the more crop heat units present in an area, the better the growing conditions for agricultural crops.

> ***"The fact that [so much] of the farmland in Wellington County has the highest quality of soil for agriculture should be the most prominent reason for our politicians to protect this land from development."***
>
> **-Survey respondent (non-farmer)**

Quick Facts

- ✓ **60% of Wellington County's soils are Class 1**
- ✓ **81% of Wellington County's soils are Class 1-3**

[7] The Canada Land Inventory is a comprehensive database is used to classify Canadian land for land use planning. Soils are classified by their capabilities, with classes 1-3 being soil types that are the highest rated and are capable of crop production.

[8] Crop Heat Units (CHUs) begin recording on May 1st and are calculated based on daily maximum and minimum temperatures. On average, it takes about 75-80 CHUs to grow a new corn leaf

Strength: Access to Local, Regional and International Markets

Wellington County agri-food system stakeholders were clear: one of the top strengths of the County's agri-food system is its proximity to markets. Wellington County's location gives farmers, agri-businesses and other agri-food system stakeholders a competitive advantage.

From 2016 to 2021, the number of farms in Wellington County who sell directly to consumers increased by 19%, or from 371 in 2016 to 443 in 2021. The proximity to consumers provides opportunities for farmers to diversify revenue streams, through speciality crop markets, agritourism, or direct-to-consumer sales.

While farmers can leverage opportunities in agritourism to diversify income, municipalities and other community partners must work closely to ensure potential conflict (e.g., noise allowances, increased traffic) is minimized and the ability for agriculture to flourish safely is maintained.

Wellington County is…

- **Within a 2.5-hour drive of the U.S. border (Buffalo and Michigan).**
- **Within 1.5-hour drive to international shipping port in Hamilton.**
- **A part of the Greater Golden Horseshoe, which is one of Canada's most diverse and populated economies, and generates nearly 25% of Canada's Gross Domestic Product (GDP).[1]**

"Our strength is our location. We're really central in the province when you look at the GTA (Greater Toronto Area), but still rural enough that we can produce a lot of food on the soils that exist."

- **Interviewee**

Farmland Acreage

From 2016 to 2021, the total farmland in Wellington County increased by 12.3% (figure 7).

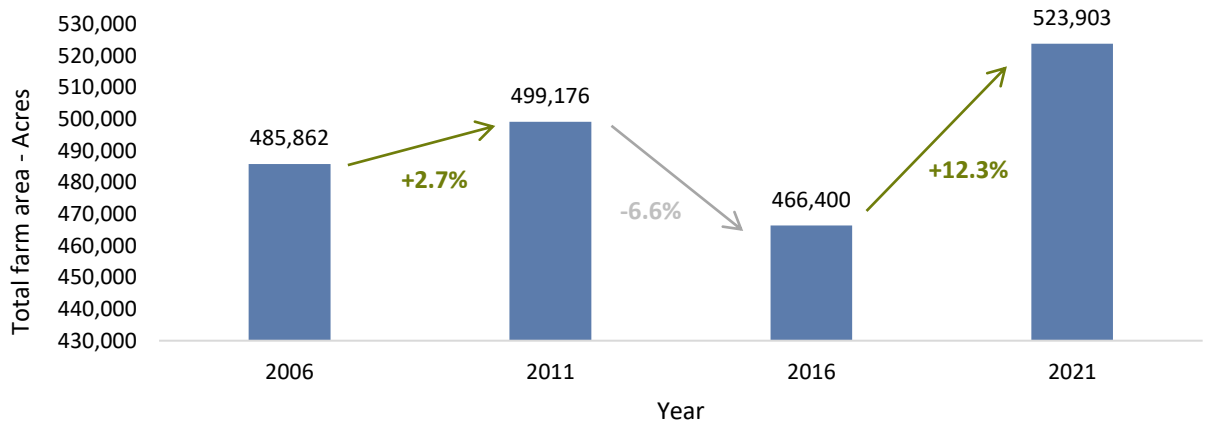


Figure 7. Total farm area (acres) in Wellington County, by census year. Source: 2021 Census of Agriculture. 504882.5

The Census of Agriculture shows that farmland in Wellington County increased from 2011 to 2021. This increase appears to be in contradiction with the loss of farmland across Ontario, estimated to be 319 acres/day. The Census of Agriculture findings are compared to Agriculture and Agri-Food Canada's crop inventory data to provide additional perspective on the total acreage of farmland in Wellington County.

Table 2. Summary of farmland acreage insights for Wellington County from the Census of Agriculture and annual crop inventory data.

Census of Agriculture	AAFC Crop Inventory Data
• 12.3% increase in farmland acreage between 2016 and 2021 • 7.5% increase in farmland acreage between 2006 and 2021	• 0.7% increase in total agricultural land use from 2016-2021 • 3% decrease in total agricultural land use from 2011-2021 • Overall trend indicates decreases in pasture and forage land that are greater than the increases in cropland (see Figure 13)

Over this same period, the number of farms in Wellington County also increased, from 2,348 farms in 2016 to 2,617 farms in 2021. Most of the farms in Wellington County in 2021 were in Mapleton (669) and Wellington North (573).

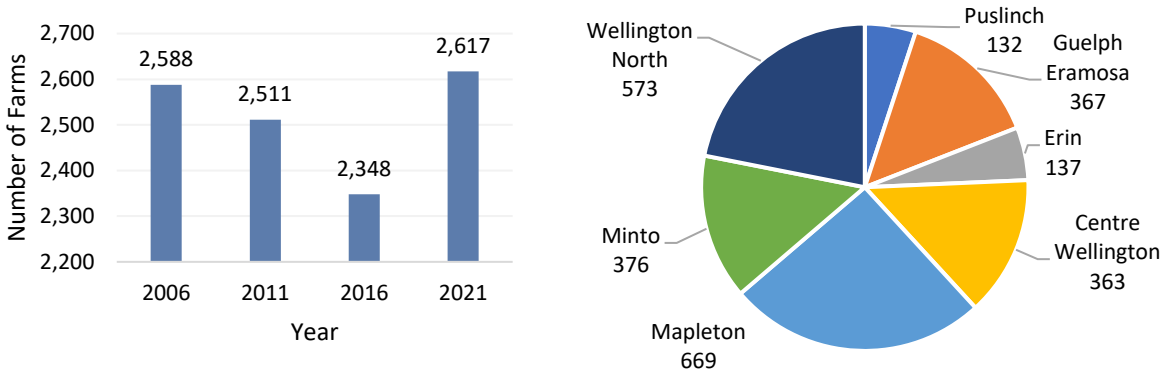


Figure 8. Total number of farms in Wellington County from 2006-2021 (left) and number of farms in Wellington County by municipality in 2021 (right).

Most farms (1,550, or 59%) in Wellington County are 129 acres or smaller (Figure 9). Still, compared to other regions in the Greater Golden Horseshoe Area, Wellington County has a large portion of larger farms. Of the 37 farms that are 1,600 acres or larger, 13 of them are 3,520 acres or larger. The farms that are 760 acres or larger represent approximately 20% to 38% of all farmland in Wellington County. In contrast, the farms that are 129 acres or smaller represent approximately 11% to 23% of all farmland in the County.

While 59% of farm businesses in Wellington County are less than 130 acres, farms that are 760 acres or larger account for 20% to 38% of all farmland in the County.

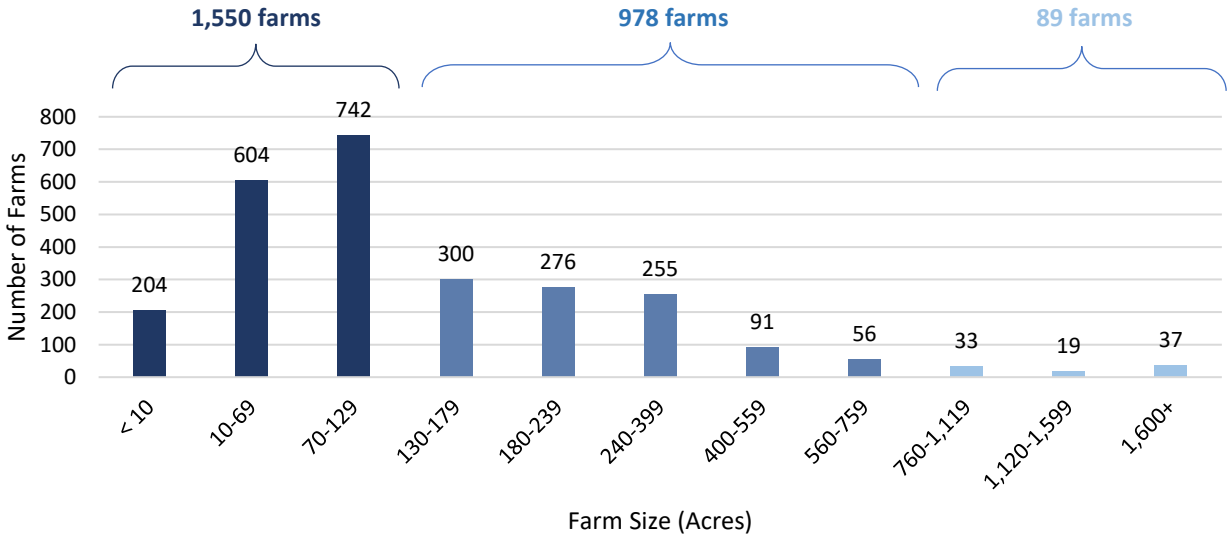


Figure 9. Farms in Wellington County by farm size in 2021 (acres).

In 2021, 74% of farms in Wellington County were owned, and 26% of farmland were rented or leased (Figure 10). While the number of farms in the County increased by 11.5% between 2016 to 2021, the proportion of land owned versus rented stayed the same. When the number of farms is broken down into total number of acres, Wellington County still has more than twice as many acres of farm owned instead of rented (Figure 11).

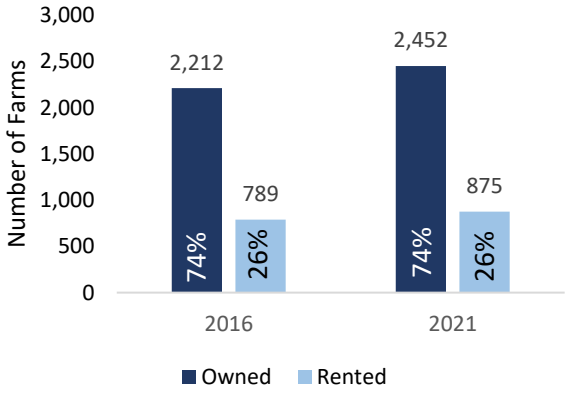


Figure 10. Number of rented and owned farms in Wellington County between 2016 and 2021. Based on 2021 census data.

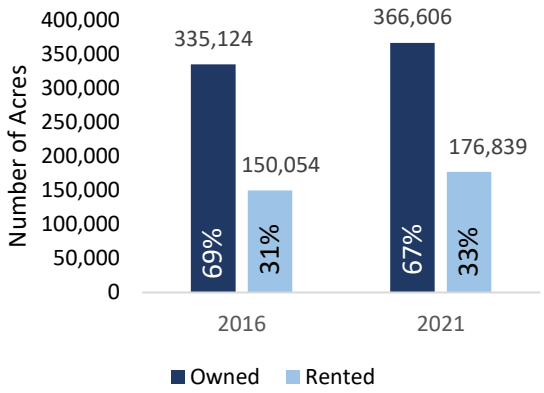


Figure 11. Acres of rented and owned farms in Wellington County between 2016 and 2021. Based on 2021 census data.

From 2016-2021, the number of farm businesses in Wellington County increased, but the proportion of rented and owned land stayed relatively the same.

Commodities Produced

Farmers produce a range of commodities in Wellington County. The most common animal agriculture operations in the County are cattle farms (both dairy and beef), and poultry and egg operations (Figure 12). A number of farms are involved in 'other' animal production, which in Wellington County would primarily include horses and bees. Oilseed and grain farming is the most abundant type of crop farm, comprising of 27% of all farms.

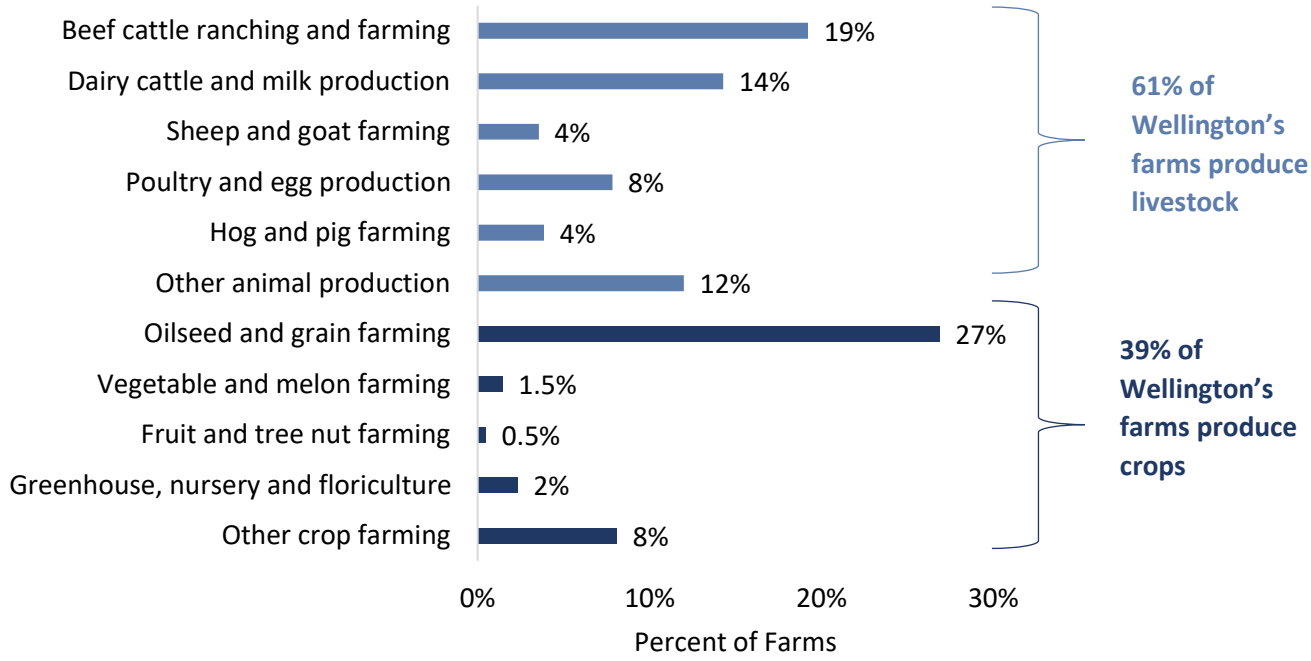


Figure 12. Percent of farms in Wellington County based on 2021 census data.

From 2016 to 2021, Wellington County reported growth in the number of farm businesses for several commodities:

- ✓ **Beef cattle (+122)**
- ✓ **Dairy cattle (+23)**
- ✓ **Poultry and egg (+35)**
- ✓ **Sheep and goat (+35)**
- ✓ **Vegetable and melon farming (+1)**
- ✓ **Fruit tree and nut (+4)**
- ✓ **Oilseed and grains (+146)**

In 2021, Wellington County had 703 oilseed and grain farms, comprising almost 4% of the total number of such farms in Ontario. Soybeans are the most abundant crop produced by acreage in County, followed by corn for grain, and winter wheat. This finding highlights the prevalence of the three-year field crop rotation of corn, soybeans, and wheat.[11] All three crops experienced an increase in acreage since 2016 (Table 3).

Table 3. Acreage of corn, soybeans, and winter wheat from 2016-2021 in Wellington County. Source: Agriculture and Agri-food Canada Annual Crop Inventory Spatial Dataset.

Crop	2016 (Acres)	2021 (Acres)	Change in Acres	Change in Acres (%)
Winter wheat	72,231	80,303	+8,072	11%
Corn	111,830	119,375	+7,545	7%
Soybeans	97,933	103,755	+5,822	6%

From 2016 to 2021, the total number of livestock farms in the County increased by 10%. The increases included sheep and goat farming (60%), beef cattle ranching and farming (32%), poultry and egg production (21%), and dairy cattle and milk production (7%). At the same time, pasture and forage land decreased by almost 17,000 acres (10%) (Figure 13).

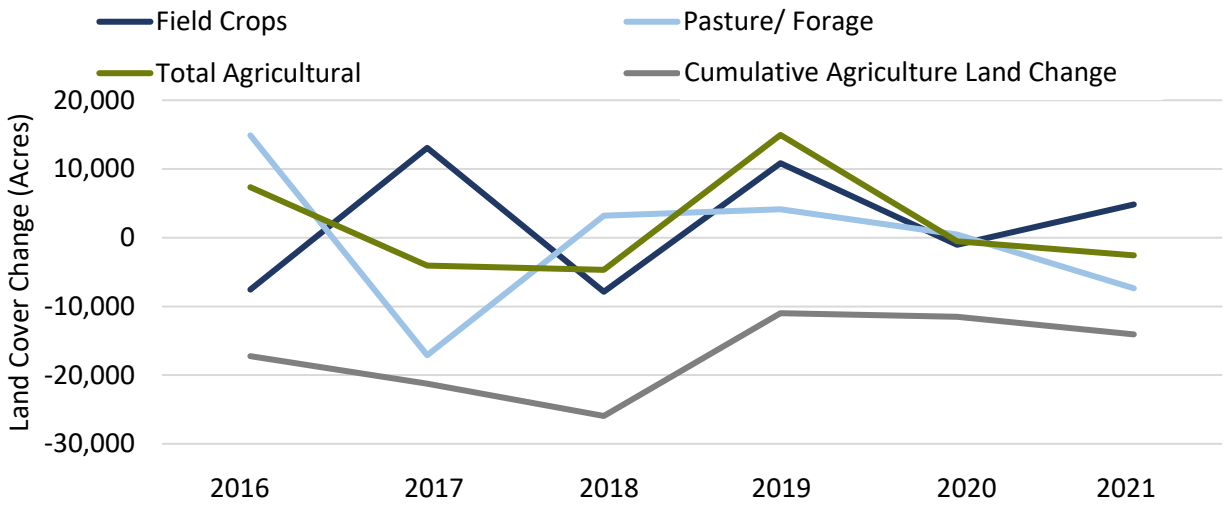


Figure 13. Wellington County Agricultural Land Cover Change from Previous Year from 2016-2021. Source: AAFC annual crop inventory.

In total, Wellington County has 1,075 acres of fruit and vegetable crops. Sweet corn and potatoes have the highest acreage of all the vegetable crops; each vegetable has 128 acres of production. While fruit, tree nut, vegetable, and melon farming comprise only 2% of total farms in the County, opportunities are emerging for farmers in this sector of the industry. A 2021 study found there are opportunities to grow more fruits and vegetables in Ontario, with a potential $135 million increased farm-gate revenue annually across Southern Ontario. Additionally, a 2019 report from the Ontario Tender Fruit Growers, found optimism about the future of the tender fruit industry and the potential for increased acreage across Ontario. An interview in 2017 with a hazelnut farmer refers to people driving two hours from Toronto to visit his farm, further demonstrating the interest of the general public in speciality crops.

In total, 324 farms in Wellington County are categorized as:

- **Vegetable and melon farming**
- **Fruit and tree nut farming**
- **Greenhouse, nursey, and floriculture**
- **Other crop farming**

Strength: Leader in Field Crop Production

While Wellington County covers only 0.2% of total land area in Ontario, it supports 5% (418,296 acres) of the province's field crops. Farmers in Wellington County produce 4% of the province's soybeans and corn, and 7% of the province's winter wheat.

The soil quality and optimal climate for field crop production uniquely positions Wellington County to excel in field crop production, and these crops are abundant across the Wellington County landscape (Figure 14). Within the Western Ontario Region, Wellington County produces the second-highest gross farm cash receipts for wheat, producing 15% of the region's farm cash receipts.[9] The County is third in the region for farm cash receipts for corn and soybeans, producing 13% of both crops.

Wellington County covers 0.2% of Ontario's land area, but it supports 5% of the province's field crop acreage.

Wellington County farmers produce 4% of Ontario's corn and soybean farm cash receipts, and 7% of the province's wheat cash receipts.

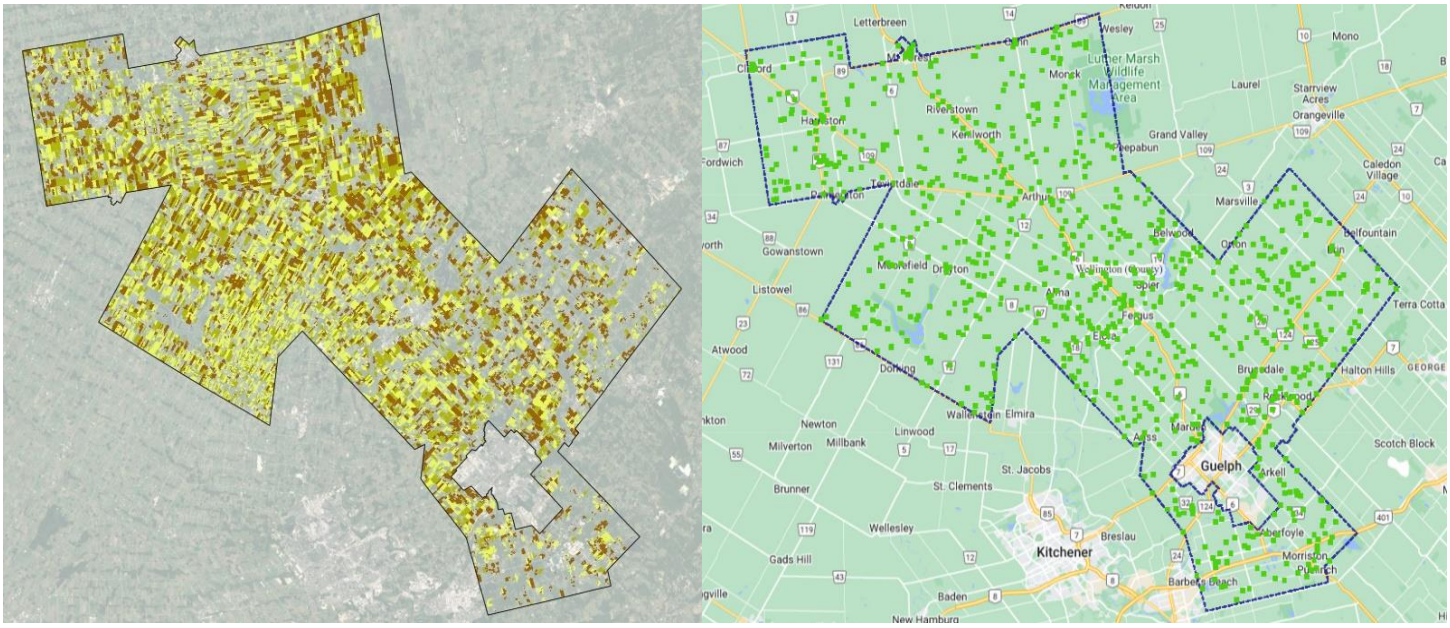


Figure 14. Location of field crops in Wellington County by census (left) and all major crop farms by ConnectON mapping (right).

[9] The Western Ontario Region includes 10 Counties and Municipalities: Bruce County, Dufferin County, Grey County, Halton Regional Municipality, Huron County, Peel Regional Municipality, Perth County, Simcoe County, Waterloo Regional Municipality, and Wellington County.

Wellington County is home to:

29,650 (10%)
acres of Ontario's corn for silage

5,633 (9%)
acres of Ontario's mixed grains

5,710 (8%)
acres of Ontario's barley

80,307 (7%)
acres of Ontario's winter wheat

4,365 (5%)
acres of Ontario's oats

83,411 (5%)
acres of Ontario's hay

116,923 (4%)
acres of Ontario's soybeans

92,169 (4%)
acres of Ontario's corn for grain

Wellington County grain and oilseed* farmers produce

$189.28 million,

or ***4%*** of all of Ontario's farm cash receipts for grains and oilseeds

Source: OMAFARA Ontario farm cash receipts by county and commodity
**Includes wheat, oats, rye, canola, soybean, dried beans, and corn*

Farm Economics

Overall, Wellington County farms are reporting higher gross farm receipts in 2021 than in 2016 (Table 4). The number of farms reporting over $250,000 in gross farm receipts has risen dramatically since 2016.

Table 4. Gross farm receipts for Wellington County farms in 2016 and 2021. Source: Canada census of agriculture (2021).

	$24,999 and under	$25,000 - $49,999	$50,000 - $99,999	$100,000 - $249,999	$250,000 - $999,999	$1 million and over
# of farms in 2016	639	290	250	353	624	192
# of farms in 2021	591	295	290	358	721	265
% change 2016-2021	**-7%**	**2%**	**16%**	**1%**	**17%**	**38%**

In 2022, Ontario saw the highest increase in farmland values (19.4%) of all provinces in Canada. [12] The Central West region of Ontario – where Wellington County is located – reported a 10.3% increase in the value of cultivated land. The value per acre in the Central West region is estimated at $25,600/acre and ranges from $15,100-$35,700 per acre. A 2023 University of Guelph study reported the average rent for tillable acre in Wellington County was $200.[13] In comparison, the average rent in Waterloo and Perth was higher than Wellington County, at $250/acre and $350/acre, respectively.

Farm Demographics

The number of female farmers in Wellington County is growing. From 2016 to 2021, the number of female farm operators in the County increased by 12%. During the same time, the number of female operators on Wellington County farms with one operator increased by 28%, meaning more female farm operators own and operate their own farm businesses.

From 2016 to 2021..

female farm operators increased by 12%.

The number of female farm operators who own and operate their own farm businesses increased by 28%.

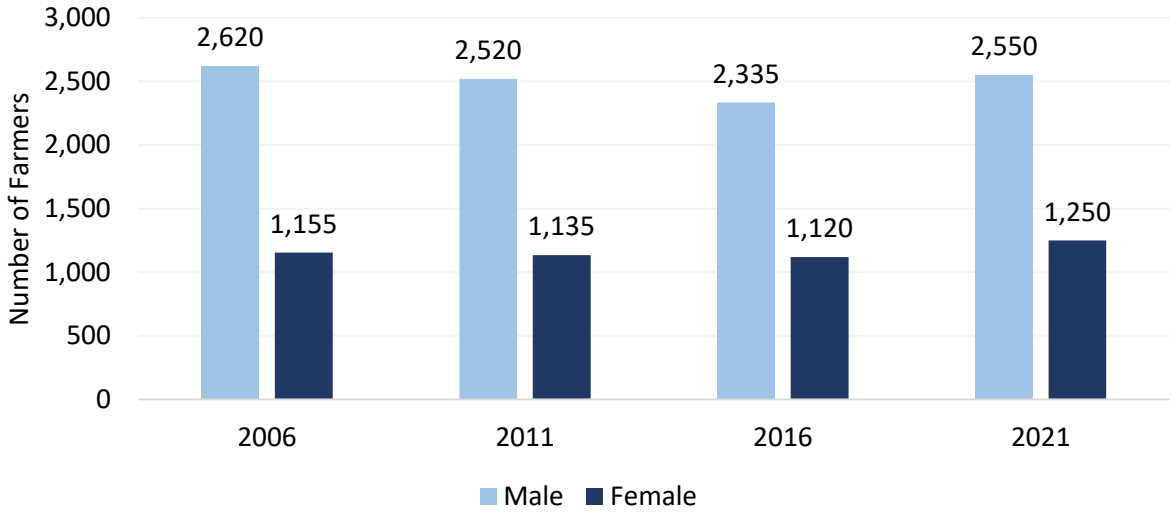


Figure 15. Number of farm operators, by gender, in Wellington County from 2006-2021.

In 2021, 55% of farmers in Wellington County were 55 years or older. The average age of a farmer in Wellington County is 53; in Ontario, the average age of farmers is 57. Since 2006, the number of farmers 55 years or over has increased (Table 5). In 2021, 11% farm operations in the County had succession (transition) plans. Another 21% of operations said they have discussed transition planning but have nothing written, and 68% operations say they have no transition plan.[14] Transition planning will be a key priority for Wellington County farmers in the coming years.

Table 5. Percent change of age of Wellington County farmers from 2006 to 2021.

Age	% change (2006 to 2021)
Under 35 years	0%
35 to 54 years	-30%
55 years or older	43%

Management Practices

Between 2016 and 2021, farmers in Wellington County increasingly adopted beneficial management practices (Figure 16), including:

- Windbreaks or shelterbelts (14% increase)
- Renewable energy producing systems (e.g., solar panels, wind turbines, bioenergy), (10% increase)
- No-till seeding or zero-till seeding (5% increase)
- Planting winter cover crops (4% increase).

1 in 3 farms in Wellington County use winter cover crops, a practice that reduces soil erosion, prevents nutrient runoff and reduces greenhouse gas emissions.

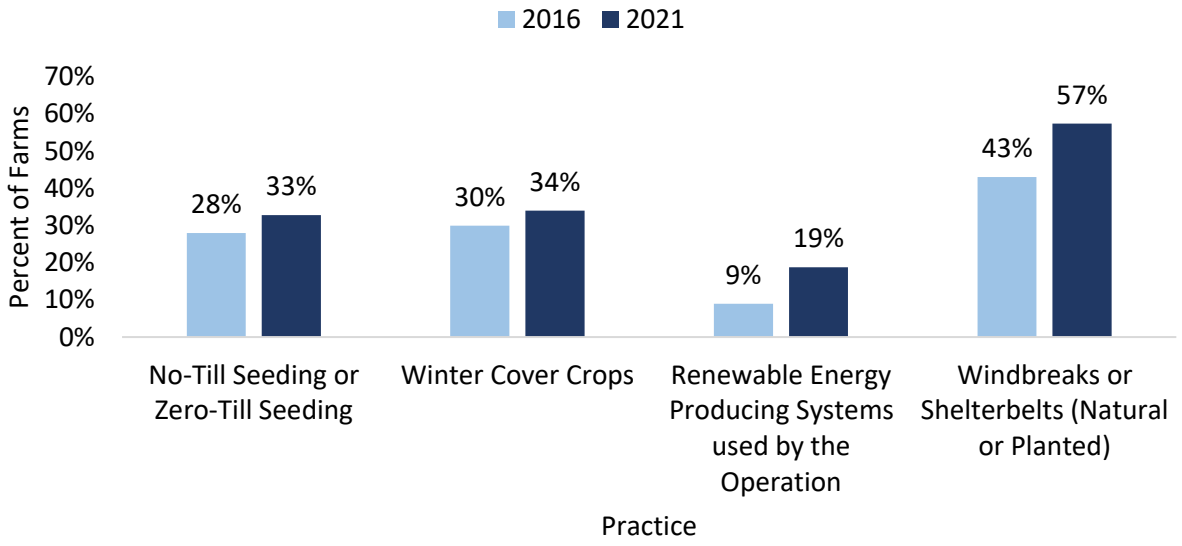


Figure 16. Changes in use of farm practices on Wellington County farms between 2006 and 2021.

Other farm practices used on Wellington County farms in 2021:

- **26% of farms reported using automated steering**
- **16% of farms reported using GIS mapping**
- **1 in 5 dairy farms in Wellington County reported using robotic milkers**

Strength: Driver of Innovation

Wellington County is an agricultural innovation hub. The County is home to several leading agricultural businesses such as Husky Farm Equipment, Semex, and Grand River Robotics. The University of Guelph has four research centres in Wellington County that contribute to the economy through the production of farm commodities and generating employment:

- ✓ Alma (aquaculture)
- ✓ Arkell (equine, poultry, and swine)
- ✓ Elora (field crops, beef, and dairy)
- ✓ Ponsonby (general animal facility, and sheep)

Research and innovation stemming from the centers provides Ontario's agriculture industry with up-to date information on best management practices.

A strength of being in Wellington County is that it is "close to research and [the University of Guelph]; a lot of investment is going into those facilities."

– Interview participant

The University of Guelph is ranked number 1 in Canada for food science and technology, and number 5 in the world for veterinary sciences.[15]

Examples of Innovation in Wellington County

3Gen Organic, an organic farm and farm store, was part of two recently concluded innovative initiatives; the Living Laboratories initiative, and ONFARM. Both programs worked directly with farmers to conduct on-farm research and share findings other farmers across the County and Province.

11 farms in Wellington County are participating in the Experimental Acres Pilot. This project examines options for regenerative farming and provides opportunities for farmers to try a new practice on a small scale.

A Wellington County dairy farm was one of the first farms in Canada to install a biodigester; a machine that converts farm waste into renewable energy.

The Grand River Agricultural Society, in partnership with RH Accelerator, provides Impact Investing in environmental, agricultural and fuel innovation.

The Ontario government is investing $13.5 million in a new poultry research center in Elora. This is in collaboration with the Agricultural Research Institute of Ontario (ARIO), the University of Guelph, and the province's four poultry industry boards. This research center will advance research and drive innovation for the poultry sector, focusing on animal welfare, reproduction, nutrition, meat quality, and safety.

Economic Impact

Post-secondary agricultural research in Wellington County economic contribution:

More than $6.9 million to Ontario's GDP

25 full-time equivalent jobs

$307,000 in tax revenue for the provincial government*

* *Please note that because tax rates are subject to frequent change and due to changes in tax policy, the tax revenue impacts in this report should only be considered approximations.*

4.2 Agri-Food Processing and Value-Added Activities

Wellington County boasts a strong agri-food processing sector. Agri-food processing, value-added activities and retail includes:

- ✓ Food and beverage manufacturing (e.g., ice cream production, bakeries, breweries)
- ✓ Livestock processing (e.g., poultry, pork, beef and other livestock slaughter plants and butchers)
- ✓ Local markets and agricultural retail (e.g., grocery stores, farmers' markets, farm stands)
- ✓ Agritourism
- ✓ Other on-farm processing

Agri-food processing (manufacturing) businesses are growing in Wellington County. From 2016 to 2022, Wellington County reported growth of agri-food manufacturing businesses from 41 to 52, respectively. Most growth occurred with businesses with one to nine employees (Figure 17). Wellington County also reported the addition of two agri-food manufacturing businesses with 200 to 499 employees.

Wellington County's agri-food processing, value-added and retail activities

- **Contribute more than $1.08 billion to Ontario's GDP**
- **Support 23,360 jobs**

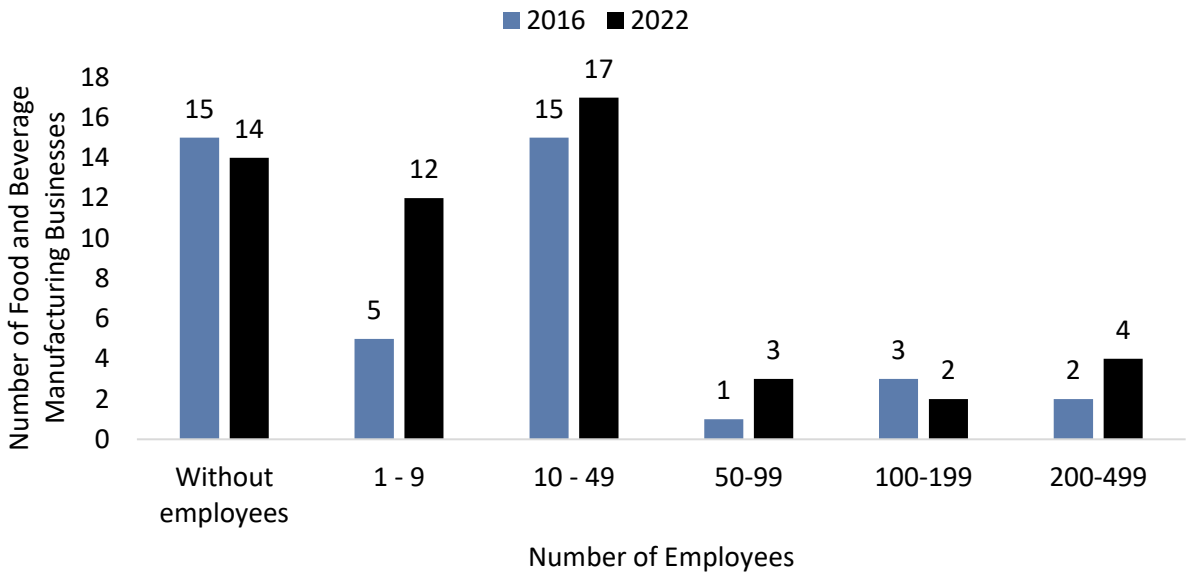


Figure 17. Food and beverage manufacturing businesses in Wellington County from 2016-2022. Note: This does not include agritourism or food and beverage retail businesses. Source: Ontario Ministry of Agriculture, Food and Rural Affairs.

Strength: Powerhouse in Livestock Production and Processing

When it comes to livestock production and processing, Wellington County is unique. Farmers in Wellington County benefit from being within proximity to several livestock processing facilities in Mapleton (Wallenstein, Drayton, Alma), Wellington North (Arthur, Mount Forest), Minto (Harriston), Guelph/Eramosa (Rockwood), and in nearby communities within a 30-minute drive of most parts of the County, like the City of Guelph and Elmira.

"One of the County's top strengths is the access to processing, specifically abattoirs."

- **Focus Group Participant**

Two abattoirs in Wellington County and one nearby in the City of Guelph serve Canadian and international export markets.

Through these abattoirs, beef, poultry, and other animal protein products produced in Wellington County feed Canada and the world.

In fact, Wellington County hosts both provincially and federally licensed abattoirs, meaning livestock producers have options for processing depending on whether they are marketing their livestock locally, nationally or internationally.

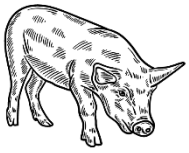
Not only do the abattoirs in Wellington County process livestock raised within the County, but they also process livestock raised in other nearby municipalities; making Wellington County's livestock processing infrastructure important for Ontario's agri-food system as a whole.

The availability of local abattoirs is a key strength for the Wellington County agri-food system, as many other municipalities in the GTA and in Ontario have expressed access to processing capacity as a barrier to sector growth.[16]

Wellington County is home to:

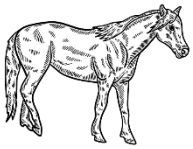
374 (12%)
of Ontario's dairy cattle and milk production farms

205 (10%)
of Ontario's poultry and egg production farms



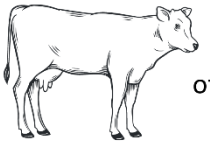
101 (8%)
of Ontario's hog and pig farms

93 (7%)
of Ontario's sheep and goat farms



167 (7%)
of Ontario's horse and other equine production farms*

147 (7%)
of Ontario's "other" animal production farms



503 (6%)
of Ontario's beef cattle ranches and farms

See page 38 to learn more about the strengths of Wellington County's equine sector.

Wellington County census division* farmers feed Canadians, and the world.

4.97 Million

Livestock head required to feed the population of Wellington County

34.6 Million

Livestock head produced in Wellington County

Based on consumption habits, Wellington County farmers produce enough livestock annually to feed its own population:

7X	**Dairy Products**
7X	**Beef**
7X	**Chicken**
4X	**Turkey**
3X	**Eggs**

Figure 18. Facts about livestock production and consumption in Wellington County. Source: OMAFRA Calculations adapted from Statistics Canada Survey of Household Spending - Rural Households.

*Wellington County census division includes the City of Guelph

Wellington County farmers produce:

$220.68 million,

or ***12%*** of all of Ontario's farm cash receipts for poultry & egg (i.e., chickens, turkeys, eggs)

$150.90 million,

or ***11%*** of all of Ontario's farm cash receipts for beef cattle (i.e., steers, slaughter heifers, calves)

$223.96 million,

or ***10%*** of all of Ontario's farm cash receipts for dairy products

$6.02 million,

or ***6%*** of all of Ontario's farm cash receipts for sheep and lamb

$107.64 million,

or ***6%*** of all of Ontario's farm cash receipts for hogs

Source: OMAFARA Ontario farm cash receipts by county and commodity

4.3 Agriculture Sector Inputs and Services

Compared to other municipalities of similar size within the Greater Toronto Area, Wellington County has a thriving agriculture inputs and services (agri-business) sector.[10] In 2022, Wellington County had 168 agri-businesses ranging in size from single ownership (i.e., no employees) to agri-businesses with 200 employees and above (table 6).

Table 6. Agri-business counts for various municipalities (2022). Source: Ontario Ministry of Agriculture, Food and Rural Affairs.

Employees	Wellington*	Waterloo*	Halton*	Dufferin
No employees	119	60	12	28
1 - 9	23	10	2	7
10 - 49	14	4	2	2
50-99	9	27	7	7
100-199	0	0	0	0
200-499	2	1	1	2
500+	1	0	0	0
TOTAL	**168**	**102**	**24**	**46**

**Note: Cities were removed from the agribusiness count data (i.e., Guelph, Cambridge, Kitchener, Waterloo, Oakville, Burlington and Milton).*

Agricultural input retailer (e.g., machinery and equipment sales, seed distributors, feed distributors, agricultural crop protection and other farm supply dealers), are distributed across Wellington County. As a result, Wellington County farmers can access the inputs needed to operate successfully.

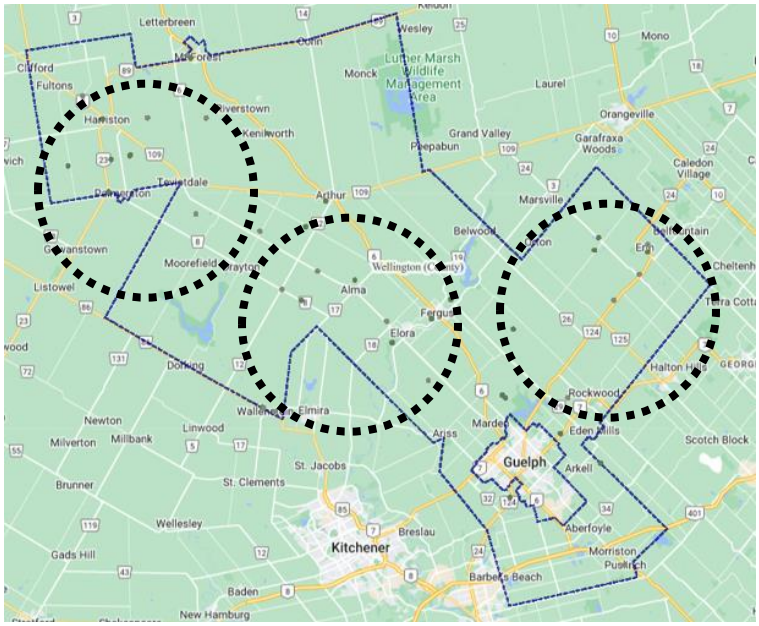


Figure 19. Map of agri-food value chain input retail businesses in Wellington County. Source: ConnectON

Fact

Agri-food value chain input retail businesses are distributed across Wellington County.

[10] Agri-businesses included in this assessment are support activities for crop and animal production, farm product merchant wholesalers, and agricultural supplies merchant wholesalers.

Strength: Access to Inputs

The unique location of Wellington County situates it perfectly for access to inputs and provides a competitive advantage over other parts of rural Ontario. Support businesses for the agricultural industry – including wholesalers of farm products and agricultural supplies, as well as transportation services – are plentiful. Sources of seed, crop inputs, or livestock-specific products are accessible for farmers in Wellington County. “You are able to get anything within a half hour of where we are located,” one agri-business interviewee said. This proximity is extremely beneficial for businesses sourcing supplies.

Several agricultural service providers are located within the County and the proximity to Guelph and larger population centers in the GTA allows for businesses to easily access professional services. For example, while a shortage of large animal veterinarians is often noted as a challenge in other parts of Ontario and Canada, this is not the case in Wellington County, interviewees said. Many agri-business interviewees also listed this as a strength as it makes working in Wellington County attractive to potential employees.[1718] Finding talented employees to work in the County is “never a challenge,” one agri-business owner shared.

Strength: Wellington County's Equine Sector

Wellington County has a vibrant equine sector with 13,533 horses[11] and 167 horse and other equine farms.[19] In fact, Wellington County is home to the most horse and other equine farms than any other municipality in Ontario. With its even distribution of horse farms across Wellington County, including high concentrations around cities/towns like Erin, Rockwood, and Puslinch (Figure 20), a great opportunity exists for people across the county to get involved in the sector.[20]

Wellington County is home to the highest number of horse and other equine farms than any other municipality in Ontario.

Horses are a part of the county's heritage as they were used to haul logs out of woodlands, as well as for farming and transportation when the area was first settled. To this day, horses still provide farm services and support agritourism activities. Over 2,500 Mennonites live in Wellington County and some communities still use horses for farming chores, logging, and horse-and-buggy transportation.[21]

Equine sports and recreation activities are popular in the County. For those individuals more interested in competition, venues such as the Grand River Raceway (Elora) or Angelstone Events (Erin) provide a great experience for watching and competing in the sport. For those individuals looking for a more relaxing way of interacting with horses, activities such as trail rides, horse yoga, and therapeutic riding can be found at local businesses such as JohnMel Stables (Puslinch), Equine Erin, Windy Acres (Arthur), or Sunrise Therapeutic Riding & Learning Centre (Puslinch).

Wellington County is also in close proximity to the University of Guelph, which offers a bachelor in Bio-Resource Management with a specialization in Equine Management. This program is one of Canada's first degree programs that specializes in equine management.

With opportunities for co-ops, field trips, and workplace/independent research projects, the program enhances equine sector development.

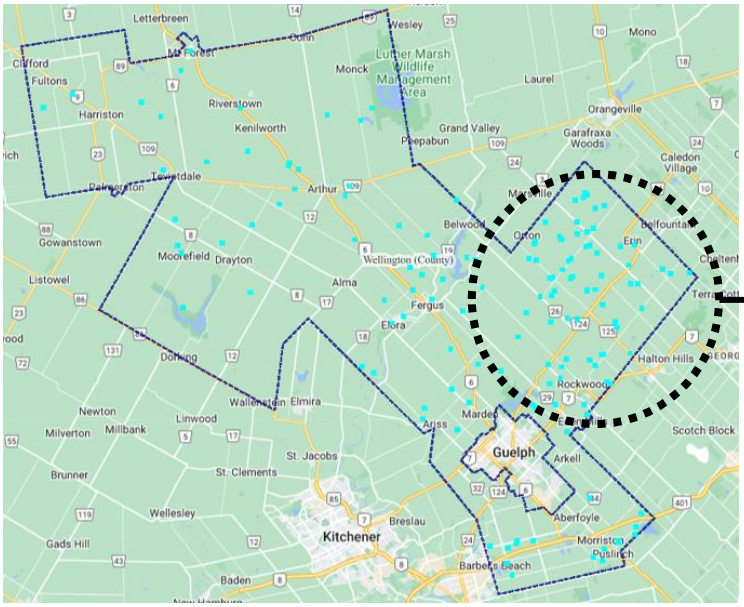


Figure 20. Horse and other equine production across Wellington County (Number of Assets=155). Source: ConnectON

Fact

Equine businesses are concentrated in Eastern Wellington County, near Rockwood and the Town of Erin.

[11] The horse population estimate for Wellington County was determined using research conducted in the equine sector. This research developed a multiplier to the estimate the number of horses not counted in the agricultural census. For more information about the Ontario and Canadian horse population estimates, please contact Wilton Consulting Group.

5.0 Challenges and Opportunities for Protecting and Growing Wellington County's Agri-Food System

5.1 Wellington County's Growing Population

Wellington County's population will grow rapidly between now and 2051. With the province's newly proposed changes in the 2023 Provincial Policy Statement and Planning Act (as proposed to be amended by Bill 97), prime agricultural lands could be lost to residential development.

The agricultural industry may face several challenges because of Wellington County's population growth:

- ✓ Increased interactions between the public and agriculture that may lead to conflict
- ✓ Balancing needs of residential development with agricultural industry growth

While population growth presents its challenges, it also presents opportunities for the agri-food system to continue to thrive and evolve to serve a growing, diverse community. As consumers move closer to where their food and other agricultural products are grown and raised, the agri-food system can leverage opportunities to supply local demand for agri-food products and experiences. Since the rate of population growth in the County will be rapid, opportunities exist for the agri-food system and Wellington County stakeholders to consider ways to reduce conflict and maximize opportunities for local sales.

Survey Results

How respondents interact with agriculture:

88% **Have attended a Fall Fair**

84% **Look for local Ontario produce when possible**

66% **Visit their local farmers market when possible**

"Our strength (access to consumers) is also a weakness; since we are so close to urban areas, a lot of people are so disconnected (from agriculture) even if they are close to the farm."

- Interviewee

Opportunities

As people begin moving closer to the agricultural communities, people and organizations can bolster education about agriculture and bolster local food opportunities. The agri-food system, municipal partners and other not-for-profit organizations have a shared responsibility to provide education of agriculture and support the local food economy (Table 5).

Table 7. Opportunities for Wellington County's agri-food system in light of a growing population.

Opportunity	Key Stakeholders*
Support local Fall Fairs and agricultural societies which provide education about agriculture and rural life, as well as a sense of community throughout Wellington County.	• Grand River Agricultural Society, Aberfoyle Agricultural Society, Arthur Agricultural Society, Fergus Agricultural Society, Drayton Agricultural Society, Erin Agricultural Society, Mount Forest Agricultural Society, Palmerston Agricultural Society, and Harriston Agricultural Society
Leverage opportunities to educate school-aged children and youth about agriculture (including basic information about agriculture, career opportunities, and healthy eating habits). For example, Norwell High School's Local Environmental Agriculture and Food (LEAF) program and AgScape programs/resources are impactful opportunities to educate children and youth about agriculture. The Grand River Agricultural Society hosts Pizza Perfect, a virtual and in-person event for grade 3 students to learn about agriculture and healthy eating.	• Wellington County School Boards • AgScape Ontario • Grand River Agricultural Society
Boost the local food economy by leveraging opportunities for local food sales (e.g., supporting direct-to-consumer sales, local farmers markets, and agritourism businesses). For example, Simcoe County developed an agritourism toolkit for farmers looking to grow or develop agritourism on their farms.	• TasteReal Wellington County • Wellington County Economic Development, Economic Development staff in member municipalities

**The Wellington Federation of Agriculture should be considered a key stakeholder for all suggested opportunities.*

5.2 Protecting Wellington County's Prime Agricultural Land

Soil is a finite and non-renewable resource; as discussed in Section 4.1, Wellington County has 3% of Ontario's prime agricultural land. Wellington County's farmland must be protected, and the health of its soils must be maintained and, ideally, improved. Healthy soils support a resilient agricultural industry, and produce commodities needed and enjoyed by people across the province, country, and around the world. Healthy agricultural soils also bring several broader environmental benefits, including:[22]

- Protecting water quality
- Decreasing greenhouse gas emissions through carbon sequestration
- Increasing biodiversity

Across Ontario, and particularly in southern Ontario, urban sprawl is placing increasing pressure on farmland. In total, 319 acres of Ontario farmland are lost daily.[23] The pressures on Ontario farmland are increasing, too, as the provincial government updates the Provincial Policy Statement, 2020, to "streamline the rules around land-use planning."[24] Under the April 6, 2023 proposal, for example, municipalities would be responsible for designating prime agricultural areas and specialty crop areas, in contrast to the previous requirement to use the provincially mapped Agricultural System.[25]

Survey Results

When thinking about Wellington County in 2051, survey respondents ranked the following topics from most to least important:

1. Farmland
2. Natural heritage systems (e.g., creeks and forests)
3. Climate change
4. Housing (e.g., mixed residential buildings)
5. Heritage (i.e., buildings)
6. Employment Lands (e.g., factories, offices, etc.)
7. Transportation infrastructure

Many respondents highlighted that farmland and natural heritage systems are connected; by preserving one, we can help preserve and improve the other.

Opportunities

Wellington County community members value farmland. Opportunities exist for a diversity of people in the County to collaborate to protect farmland and improve soil health, given the agricultural, societal, and environmental benefits soil offers (Table 8).

Table 8. Opportunities to protect Wellington County's soil.

Opportunity	Key Stakeholders*
Collaborate with industry partners to promote soil health beneficial management practices (BMPs). Continue the good work underway through existing initiatives in Wellington County, such as Experimental Acres, the Greenbelt Foundation's Soil Health Benchmarking Program, and Living Lab – Ontario.	• The County of Wellington, the Greenbelt Foundation, Ecological Farmers Association of Ontario, Agriculture and Agri-Food Canada, Wellington County Soil and Crop Improvement Association, and the Grand River Conservation Authority, Maitland Valley Conservation Authority, Saugeen Valley Conservation Authority, and Credit Valley Conservation Authority
When making planning policy decisions, consider the value of farmland as: • An economic driver • A provider of ecological goods and services • A non-renewable resource	• The County of Wellington and member municipalities.

**The Wellington Federation of Agriculture should be considered a key stakeholder for all suggested opportunities.*

5.3 Growing Entrepreneurship in Agriculture

The cost of farmland in Wellington County is high; pathways to begin farming are challenging if you do not have access to land through family ties. Even individuals with familial ties to agriculture can experience challenges in farm transition. This challenge is not unique to Wellington County. Nationally, 40% of Canada's farmers are expected to retire by 2033, and 2022 marked the highest increase on record for farmland values across Canada.[2627]

Opportunities

Stakeholders within Wellington County's agri-food system can foster an entrepreneurial environment where new entrants to agriculture and the agri-food system can thrive.

Opportunity	Key Stakeholders*
Continue to foster entrepreneurial opportunities for Wellington County farmers including – new farmers, new farm activities (e.g., agritourism), new Canadians, and the next generation (e.g., the Grand River Agricultural Society's Spark Symposium and Impact Investing initiative, Ecological Farmers Association of Ontario and Ignatius Centre's new farmer training program)	• General farm organizations and commodity organizations representing Wellington County farmers • Key people coordinating nearby college and university programs • Economic Development stakeholders in Wellington County
Support efforts to help with on-farm transition planning within the County (e.g., hosting local introductory information sessions, promoting virtual sessions available to farmers across the province or country, developing a directory or matchmaking service for aspiring farmers looking for non-family transition options etc.)	• Farm Management Canada, local agricultural advisors (e.g., banks and financial advisors, mediators and transition planning experts)

**The Wellington Federation of Agriculture should be considered a key stakeholder for all suggested opportunities.*

6.0 Conclusion

By 2051, the County of Wellington's population is anticipated to grow by 61%. At the same time, Wellington County's agricultural sector is a key economic driver – feeding and servicing the local community, Ontarians, and people globally. In fact, the agri-food system in Wellington County contributes more than $841 million to Ontario's GDP (which represents 5% of the province's agri-food system contribution to national GDP) and employs over 12,260 people.

Over the next 30 years, it will be imperative that the County balance the needs of a growing population and a thriving agri-food system.

Three key priorities can help Wellington County strike this balance:

- Leveraging an ever-growing local consumer base and educating consumers about the sector
- Protecting Wellington County's prime agricultural land as a finite, non-renewable resource
- Continuing to support entrepreneurship across the agri-food system

Now is the time for all stakeholders in the County to play a role in protecting and growing the agri-food system to meet the needs of our future community while ensuring a thriving local economy for years to come.

Appendix

Appendix A: Agri-Food Economic Impact Assessment

1.0 Agri-food Economic Impact Assessment

Agriculture, food, and the supporting supply chains of these sectors are a significant portion of the Ontario economy due primarily to the regions pairing of high-quality soil and large regional population, or market, for food products. Wellington County itself holds a significant portion of the provincial agri-food supply chains with 5.8% of 2021 provincial farm cash receipts and an estimated 5.0% of Ontario's agri-food value chain's contribution to GDP.

1.1 Methods

Economic activities at one stage of a supply chain drive upstream activities from suppliers of inputs and services. For instance, the milling of wheat into flour drives some provincial wheat production as an input, and the production of wheat drives the economic activity of fertilizer, seed, and equipment manufacturer production. These various chains of economic activity are quantified using provincial and national product and service flow data aggregated by Statistics Canada. Analysing the product and service inputs allows for the estimation of economic impacts occurring because of the economic activity occurring at one level of the agri-food value chain.

1.1.1 Sector Components Assessed

Three components of the agri-food value chain within Wellington County were separately assessed. The economic impacts from primary agriculture were most thoroughly assessed because of the available detailed information, and also because of the significant connection and resulting policy implications primary production has to land use. Food manufacturing and retail were assessed separately as was the contribution of the public and private agricultural research farms. A high-level depiction of the agri-food supply chain is depicted in Figure ## below.

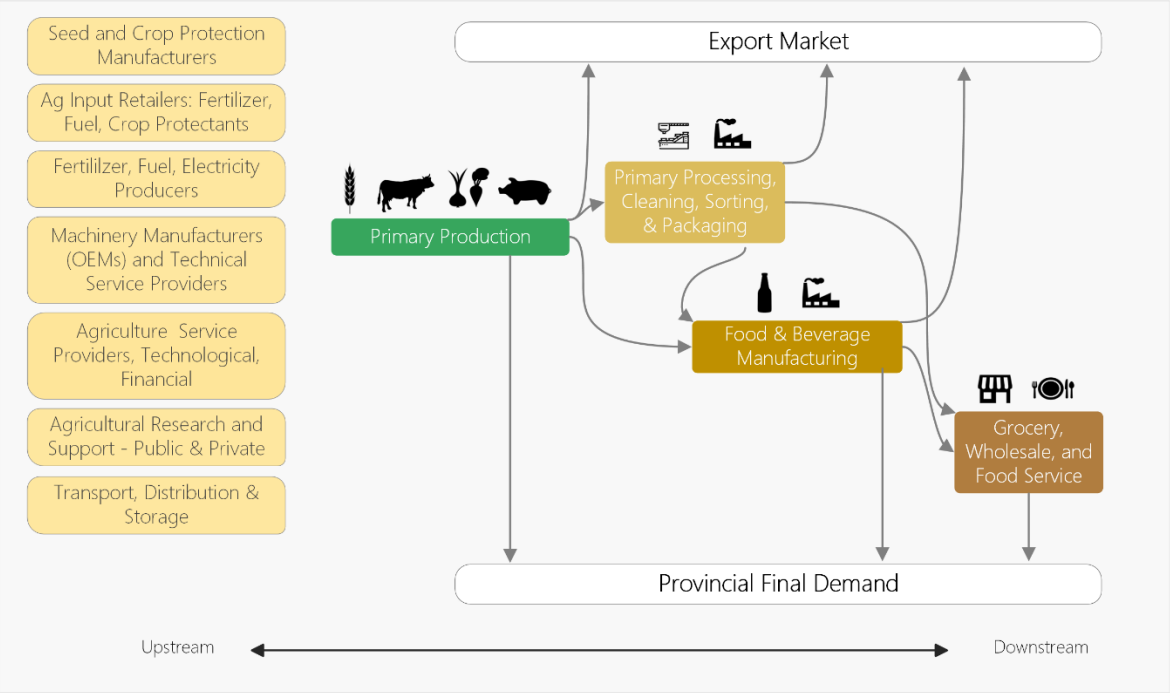
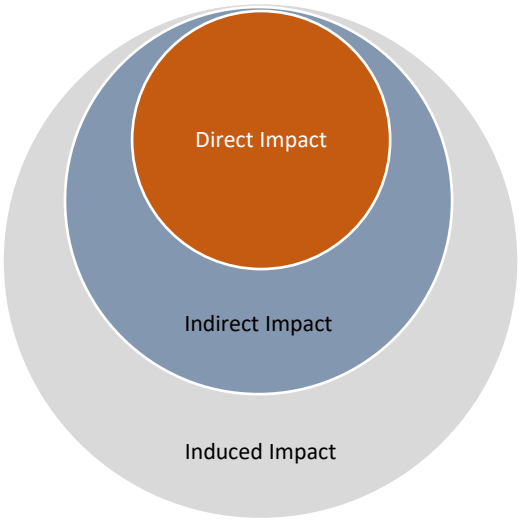


Figure 22. Agri-food Value Chain

1.1.2 Categories of Economic Impact

Economic impacts from a defined set of economic activities include three categories of impact as displayed and described in Figure ## below:



Direct Impacts: Impacts on the expanding industry - payments made to suppliers of labour, equipment and services by the industry where the new economic activity takes place (e.g., payments by farmers to employees, purchasing fertilizer, etc.)

Indirect Impacts: Impacts on the upstream industries that supply inputs to the industry creating the new economic activity (e.g. fertilizer manufacturers must increase production)

Induced Impacts: Impacts of spending the increased household income resulting from the new economic activity (e.g. spending by employees of the fertilizer manufacturer)

Figure 23. Categories of Economic Impact

The upstream inclusion of economic impacts, which accounts for the inputs to each economic activity risks double counting when the economic activity for an entire value chain is being estimated. Double counting can be avoided by solely measuring direct impacts at the level closest to final demand, which in an agri-food value

chain corresponds to retail sales (e.g. groceries or farmers market products, nursery products, etc…). This would only be appropriate however if all primary agricultural production is retailed or contributed to food products that are sold within Ontario or Canada, which is not the case. To account for the various levels at which agriculture or food products are consumed within, or exported from, Ontario or Canada requires a complex dataset detailing the values of each of these final demands for the agri-food products.

This approach is difficult to model for all agri-food products given the limited availability of complex supply chain data necessary to distinguish the portions of sales originating from agriculture and food products sourced within Ontario or Canada from those products that are partially or wholly imported. Given the limited availability of this data, it is more appropriate to measure and model the economic impacts of primary agricultural production and to consider the economic impacts of food manufacturing, retail, and agricultural research separately. The approach therefore incorporates all components of the Agri-food Supply Chain as depicted in Figure ## above.

1.2 Economic Impacts

Wellington County's agri-food industry contributes $2.8 billion to Canada's GDP, which is 5.0% of the Ontario agri-food industry's $56 billion contribution to Canada's GDP. The industry's activities within Wellington County contribute 35,943 jobs to the Canadian economy, nearly two thirds of which are in the food manufacturing and retail portion of the value chain. Omitted data within the summary table below are due to unavailability of detailed data for food manufacturing and retail. As a result, the total agri-food industry total output, tax revenue, labour income, and FTE jobs figures do not represent complete estimates, but represent the portion attributed to agricultural production and agricultural research only. As such, they are substantially lower than the actual industry values. Detailed analysis for the three assessed components of the agri-food value chain are separately summarized in the proceeding sections.

Table 9. Total Economic Impacts from Agri-food Industry in Wellington County, 2021

Metric	Agricultural Production	Food Manufacturing & Retail	Agricultural Research	Agri-food Industry Impact
GDP (at basic prices[12])	**986,470**	**1,802,489**	**7,360**	**2,796,319**
Total Output	2,458,964	-	10,982	>2,469,946
Tax Revenue	78,975	-	-	>78,975
Labour Income	495,573	-	-	>495,573
Number of Jobs	**12,260**	**23,360**	**323**	**35,943**
FTE Jobs	6,556	-	65	>6,621

GDP, output, labour income, and taxes are displayed in thousands of dollars.

[12] GDP at basic prices consists of goods and services at market prices less taxes and subsidies

Figures not in bold represent only the impacts from primary production and agricultural research.

1.2.1 Agricultural Production Economic Impacts

Economic Impacts may be measured or summarized by several metrics. The most common figures to include are impacts to Gross Domestic Product (GDP), Full Time Equivalent (FTE) Employment, Tax revenue, and Total Economic Output. Each may be estimated with consideration for the economic activity resulting within Ontario or consider the broader national impacts by including interprovincial impacts.

Table 10. Wellington County Economic Impacts of Primary Agricultural Production, 2021

				Total Impact	
Metric	**Direct Impact**	**Indirect Impact**	**Induced Impact**	**Within Ontario**	**Within Canada**
GDP (at basic prices)	317,610	511,008	157,852	841,278	986,470
Total Output	1,041,847	1,145,130	271,987	2,119,724	2,458,964
Tax Revenue	N/A	*42,441	36,534	66,220	78,975
Labour Income	151,596	269,845	74,132	430,518	495,573
Number of Jobs	5,895	4,973	1,392	11,155	12,260
FTE Jobs	2,043	3,481	1,032	5,721	6,556

GDP, output, labour income, and taxes are displayed in thousands of dollars.

**Indirect taxes includes both direct and indirect impacts.*

In addition to total impacts, each measure is associated with a multiplier. Multipliers are helpful when looking at future resource allocation scenarios, i.e. what $1 more of output does to the economy. A Multipliers however assume a static economy, which is not the case over time. They should therefore be considered appropriate for understanding the current economy, but not be expected to remain constant with changing industry dynamics. For this report, a Total Multiplier I is presented with each impact measure description below. **Total multiplil(TM)** capture the sum of direct, indirect and induced impacts across Canada. Households are treated as endogenous and the payments for labour services, i.e. wages, are redirected in the economy through consumer expenditures. For example, if a total multiplier was 2.50 for every 1$ of exogenous final demand, the output dollar value is expected to increase by $2.50.

- **Output** is the total gross value of all sales of goods and services from a given organization, industry, or project, measured by the prices paid along the chain of activity. Output is the broadest measure of economic activity.
    - For every dollar spent on local Wellington County agricultural products, $2.36 of economic activity is generated within Canada.

$2.5 billion

TM - 2.36

- **Gross Domestic Product ("GDP")** is the total value of all finished goods or services subtracting the cost associated with the previous level of production. In other words, output without duplicating the value of inputs.
    - For every dollar spent on local Wellington County agricultural products, $0.95 of value is generated within Canada on finished goods and services.

$1 billion

TM - 0.95

- **Labour income** is comprised of all the compensation paid to employees from wages, salaries and employer's' social contributions.
    - Wellington County's agricultural sector contributes $496 million in labour income within farm and upstream jobs.

$496 million

TM – 0.48

- **Tax Revenue** is the total amount of estimated tax revenue generated for provincial and federal government on both production and products. Please note that because tax rates are subject to frequent change and due to changes in tax policy, the tax revenue impacts in this report should only be considered approximations.
    - Wellington County's agricultural sector generates a total of $79 million tax revenue for the provincial and federal government.[13]

$79 million

- **Employment** is the number of additional jobs created from a given organization, industry, or project. Employment is measured in terms of full-time equivalent" ("FTEs") and total number of jobs. Statistics Canada refers to a Full-time Equivalent (FTE) employee as an employee working a 40-hour workweek, i.e., employees who are scheduled to work 40 hours per week are allocated 1.0 FTE**.**

12,260 jobs

6,556 FTEs

[13] Please note that because tax rates are subject to frequent change and due to changes in tax policy, the tax revenue impacts in this report should only be considered approximations.

- Wellington County's agricultural sector supports a total of 12,260 jobs with 6,556 full-time equivalent employees (i.e., has a 40-hour workweek).

1.2.2 Agri-food Processing and Retail

The impacts in terms of GDP and employment from food manufacturing and retail in 2021 have been estimated in aggregate with agricultural production impacts[14]. The estimation methodology is not publicly available, and so we cannot ensure that supply chain double counting has been avoided. Assuming that it has been, it is then appropriate to compare this estimate to the impacts attributable to agricultural production to provide an estimate of economic impact attributable to food manufacturing and retail. Other measures of economic impacts including total output, labour income, and FTE jobs were not available within the OMAFRA study results and so are omitted from the results.

Table 11. Economic Impacts of Agri-food Value Chain, 2021

Metric	OMAFRA Total Agri-food Value Chain	Agricultural Production	Food Manufacturing & Retail
GDP ($000s at basic prices)	2,788,959	986,470	1,802,489
Number of Jobs	35,620	12,260	23,360

1.2.3 Agricultural Research Farms

There are four University of Guelph research farms within Wellington County that contribute to the economy through the production of animals and other farm products, and employment, through the process of applied research. Double counting of impacts from agricultural production needs to be avoided because it is considered within the Agricultural Production analysis under the assumption that research farm production is included within Census of Agriculture farm cash receipts. The research activities are however omitted and may be added to the above analysis by applying industry level provincial multipliers to the portion of the research farms operating budgets attributable to the non-production components of research. By using the net figure of total expenses less animal or farm product sales, we estimate the net level of expenditure. This net output value assumes break even financial performance of the component of the research farms that result in saleable farm products.

Table 12. Expenses and Sales ($000s) of University of Guelph agricultural research facilities within Wellington County, 2021

[14] Ontario Ministry of Agriculture, Food and Rural Affairs, 2021. Economic Impact of the Ontario Agri-food Value Chain (farm, food manufacturing, and retail) by County - Gross Domestic Product and Employment.

Research Station	Total Expenses	Animal or Farm Product Sales	Net
Alma	740	175	565
Arkell	2,175	190	1,985
Elora	4,396	2,021	2,375
Ponsonby	556	1	555
Totals	7,867	2,387	5,480

The total net expenses may be considered the total output's direct impact and the corresponding economic impacts may be calculated from this figure as depicted in the table below.

Table 13. Economic Impacts of University of Guelph Agricultural Research Facilities in Wellington County, 2021

Metric	Direct Impact	Indirect Impact	Induced Impact	Total Impact	
				Within Ontario	Within Canada
GDP (atc prices)	3,929	1,107	2,324	6,894	7,360
Total Otput	5,480	1,967	3,535	10,067	10,982
Tax Reve	5	11	307	307	323
FTE Job	36	11	18	25	65

GDP, total output, and tax revenue are displayed in thousands of dollars.

Appendix B: Key Informant Interview Guide

Our team at Wilton Consulting Group is working with the Wellington Federation of Agriculture (WFA) to conduct a 'Farmland Protection and Agri-food Systems Study' to further understand how to support the protection of the high-quality farmland in Wellington County as well as the development of the associated farm business, organizations, and entrepreneurs within the agri-food system.

Throughout the interview, we are interested in hearing about your experiences and opinions. We will be taking notes, but we are not recording this conversation. The responses from these interviews will be synthesized in to key themes and will not be attributed directly to any individual specifically. We may use some direct quotes from the interviews, but we will cite quotes generically (such as, "farmer" or "agricultural researcher").

Perspectives on Agriculture

- To begin, please tell us about yourself and the company or organization you represent.
- How would you characterize the agriculture sector in Wellington County?
- What are the strengths of the agricultural and agri-food sector in Wellington County?
- What are the challenges facing the agricultural and agri-food sector in Wellington County?
- Are you aware of any initiatives that currently exist to support farmland protection in Wellington County?
- What are some challenges or risks facing farmland protection in Wellington County?

Opportunities in the Agriculture Sector

- From your perspective, what are the top 3-5 opportunities for the agri-food sector within the County over the next 5-10 years?
- On a scale of 1-5 with 1 being not at all and 5 being extremely, how concerned are you with the present state of farmland protection in Wellington County? Please explain.
- What opportunities are there to bolster public knowledge and support of the agriculture sector?

Final Thoughts/Closing Comments

- Is there anything else which you would like to share about the county of Wellington, or agriculture in the county from your perspective?
- Are there any resources that you think are relevant for this discussion?

Thank you for participating in our interview. For other ways to provide input please consider signing up for one of the focus groups and/or fill out the short survey:
https://www.surveymonkey.com/r/WellingtonCommunitySurvey

Appendix C: Summary of Survey Results

Question 1 and 2: Do you live or work in Wellington County? Which of the following describes your relation to Wellington County? (select all that apply)

Almost all (99%) of survey respondents live or work in Wellington County. Most survey respondents (67%) are residents of Wellington County. Half (51%) of survey respondents are farmers. Survey respondents could select more than one option, so there may be some overlap between those that selected multiple roles within the county (Figure 24). For example, many respondents who selected that they were residents in Wellington County are also agri-business owners or farmers.

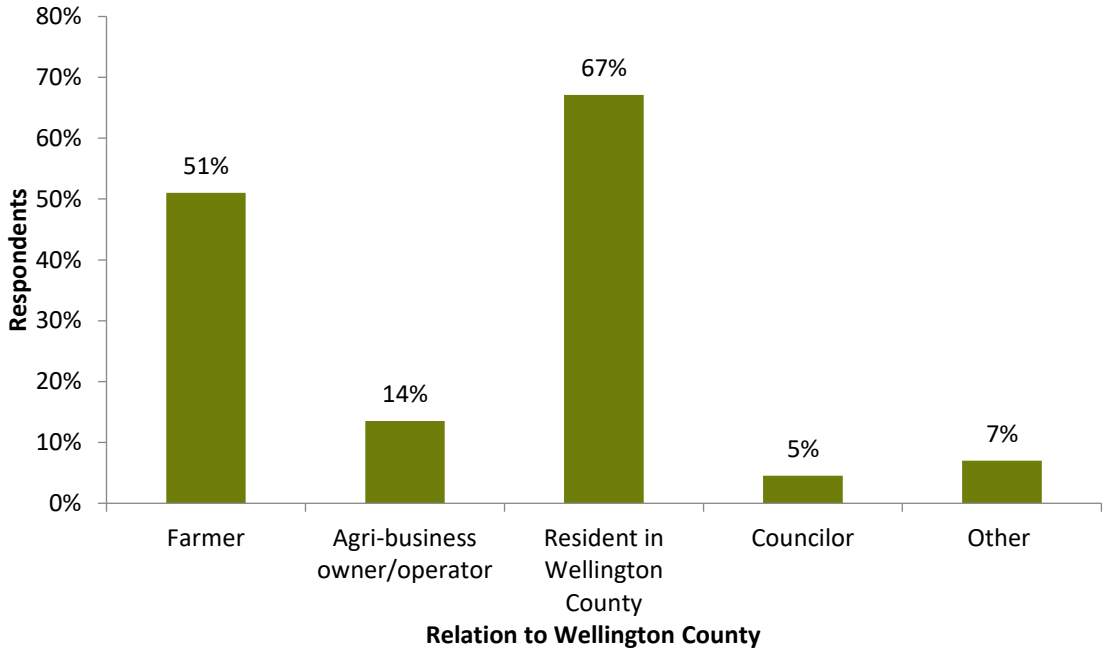


Figure 24. Survey respondents relation to Wellington County (n=155)

Of the survey respondents who replied "other", most are employees of a business in the County, or own a business in the County that are not specifically an agriculture related business.

Question 3: Please enter the first 3 digits of your home postal code.

Of the survey respondents living in Wellington, 32% were from Wellington North[15], while 34% were from Centre Wellington, Erin, Mapleton, or Puslinch[16]. 18% of survey respondents were form the town of Fergus (Figure 25).

[15] The postal code that includes Wellington North, also includes part of Huron County. There could be some participants that were included in Wellington North that reside in Huron County.

[16] The area of Wellington Center and South includes Alma, Ariss, Arkell, Ballinafad, Belwood, Eden Mills, Elora, Erin, Morriston, Puslinch, and Rockwood

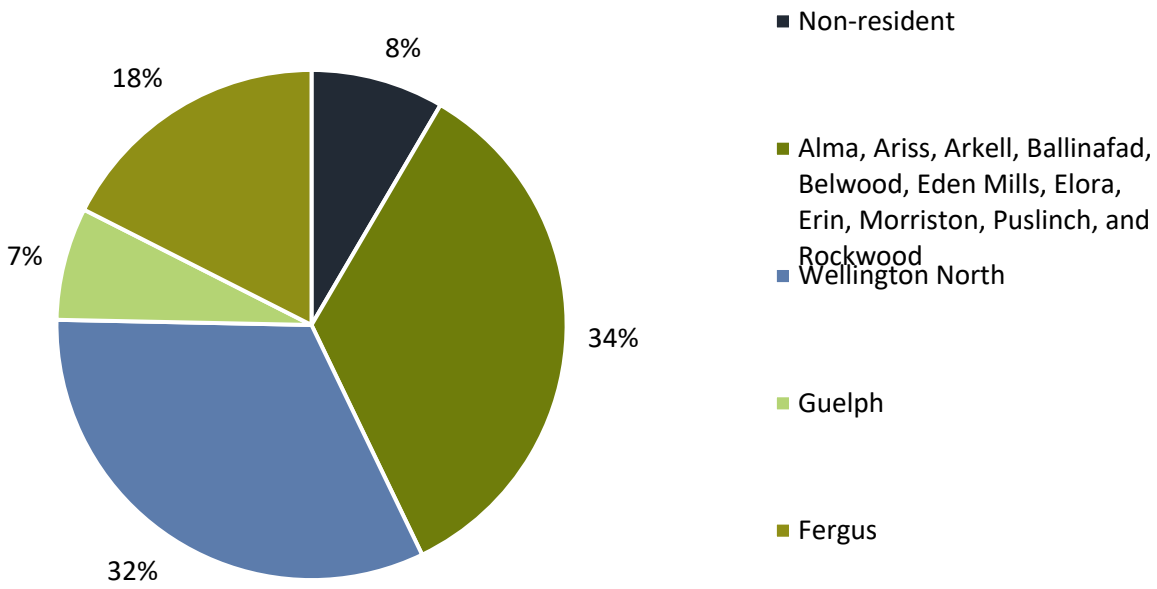


Figure 25. Location of Survey respondents based on first three digits of their postal code (n=155)

Question 4: We want to learn more about how people in Wellington County have interacted with agriculture. What ways do you interact with agriculture in Wellington County?

Most survey respondents have attended a Fall Fair (88%) and look for local Ontario produce/food when possible (84%). Those identifying as non-farmers look for local Ontario produce (91%) more than the total survey population. Furthermore, two thirds of respondents like to visit local farmers markets (66%), and this increases in to 82% for those not identifying as a farmer (Figure 26).

Other ways that respondents interact with agriculture include working for an ag organization or ag business, involved with a community garden, have had a Community Shared Agriculture Subscription, or volunteering with an agriculture organization.

Type of Interactions survey respondents have with agriculture.

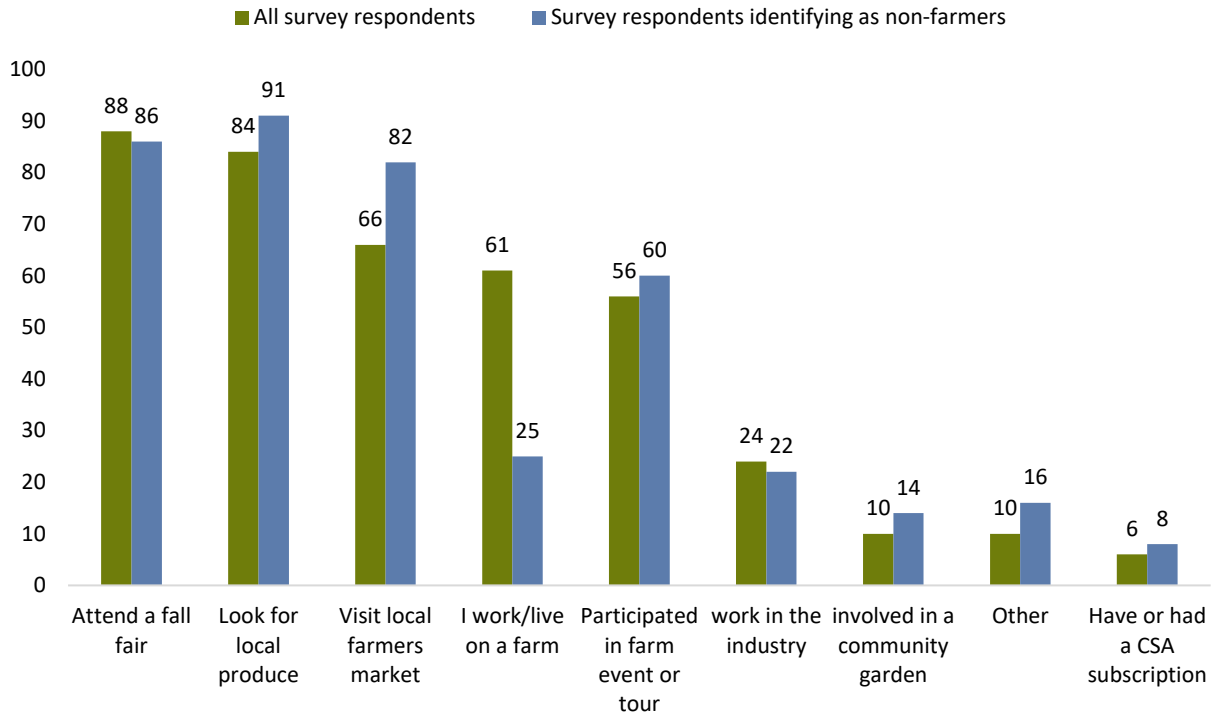


Figure 26. Interaction with agriculture by survey respondents (n=155)

Q5: Please rate your level of agreement with the following statements: it is important to protect farmland in Wellington County because…

Overwhelmingly survey respondents agreed or strongly agreed with all the statements about why it is important to protect farmland (Figure 27). 82% of respondents strongly agree that we should protect the soil. Often the respondents that disagreed, or strongly disagreed with a statement identified as farmers. For example, for the statement “we should protect the soil” all those who disagree (3%) were farmers.

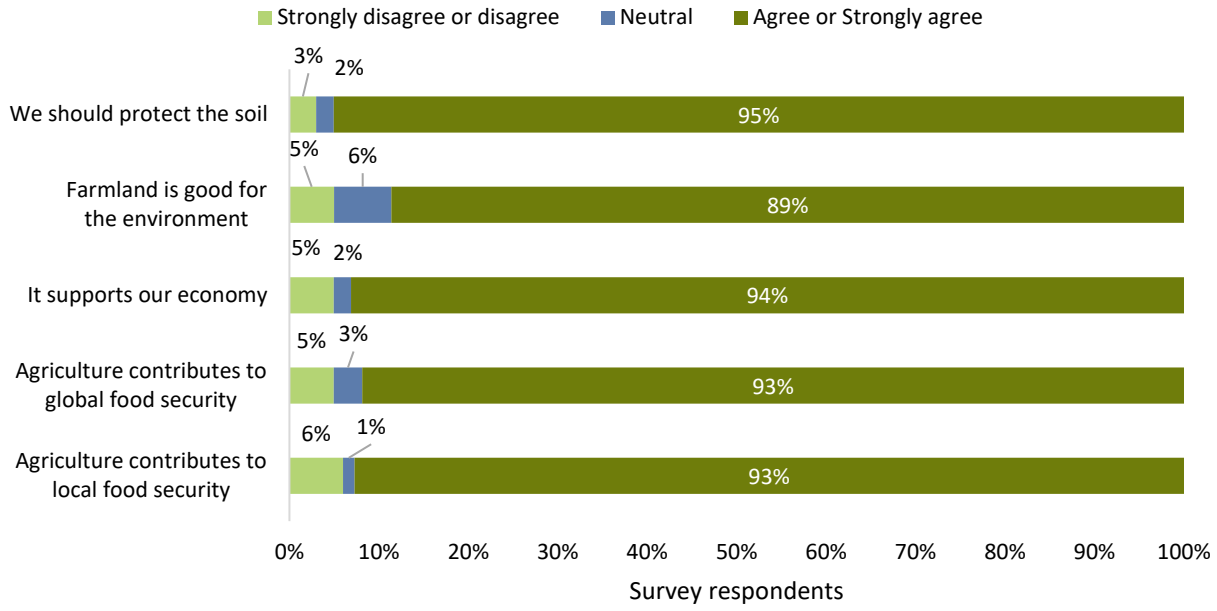


Figure 27. Level of Agreement with statements about protecting farmland in Wellington County (n=155)

Q6: Thinking about the year 2051 in Wellington County, rank the importance of the following in order of most important to least important. And Q7: Please add any comments on your ranking above.

Of the 7 choices available to survey respondents, 54% selected farmland as the most important issue looking forward to 2051, however only 34% of non-farmers selected farmland as the most important issue. Natural heritage was important to participants receiving 39% of votes for second most important, and 25% of votes for third most important. Survey respondents ranked the 7 issues from most to least important. Based on the average scores across each ranking, the following lists the options in order from most to least important.

1. Farmland
2. Natural heritage systems (e.g., creeks and forests)
3. Climate change
4. Housing(e.g., mixed residential buildings)
5. Heritage (i.e. buildings)
6. Employment Lands (e.g., factories, offices, etc.)
6. Transportation infrastructure

> "I believe preserving the natural environment is very important for the future. In my opinion this encompasses Farmland, National heritage systems, and Heritage. I had a very hard time ranking the items…as I personally believe they are all intertwined, and you can not have one with out the other. Moving forward I believe a systems wide approach of taking a step back and viewing the big picture along with interconnected relationship will be very important to the overall success of Wellington County. "
>
> - Survey respondent

Both employment lands (factories, offices, etc.), and transportation infrastructure (roads, highways), received the same aggregate score, however employment lands received more 1st place rankings (3% versus 1%) and fewer last place rankings (17% versus 25%), therefore it is listed higher on the list.

31 respondents provided additional explanation to their rankings. 9 respondents referred to the interconnectedness of all 7 issues. One respondent felt that all are important and there is a need for

balance across all 7. Many respondents further highlighted how farmland and natural heritage systems are connected and by preserving one we can help preserve and improve the other.

Q8: Did you know these interesting facts about agriculture in Wellington County?

Survey respondents were split on their knowledge that 75% of the farmland in Wellington County has the highest quality soil that exists for growing crops, while the other two facts were slightly less known to participants (Table 14).

Table 14. Knowledge of facts about Wellington County agriculture (n=153)

Fact	Yes	No
Wellington County has the highest number of farms of any community in Southwestern Ontario.	41%	59%
75% of the farmland in Wellington County has the highest quality soil that exists for growing crops.	52%	48%
Wellington County is Ontario's top producing region for chickens, accounting for 14% of the provinces chicken production.	37%	63%

Q9: Please feel free to share any other thoughts about agriculture and agri-food in Wellington County.

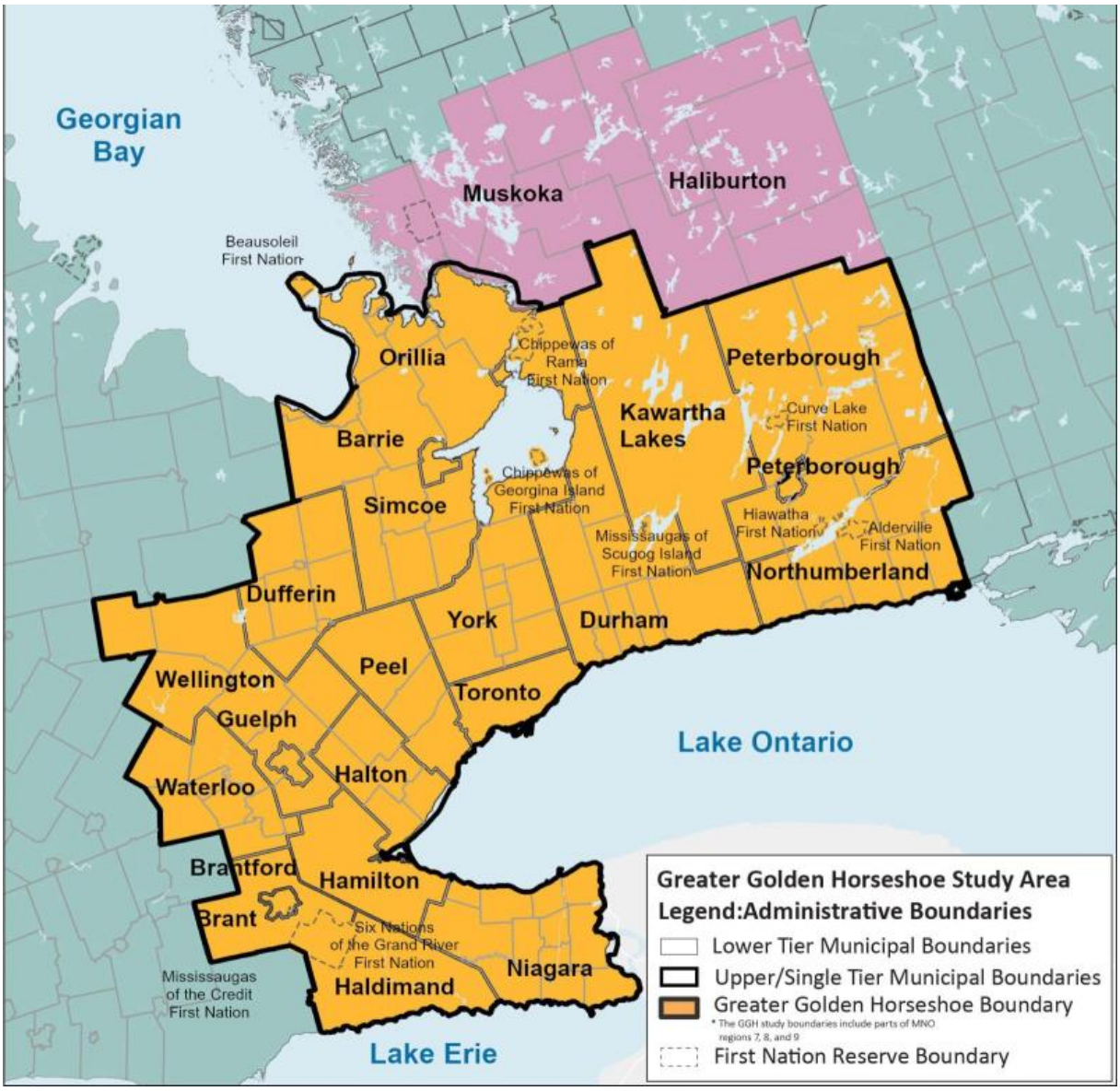
28 survey respondents provided additional thoughts and comments about agriculture and agri-food in Wellington County. Some of the themes of these comments include:

- The current state of agriculture in the county, both positive and negative
- Opportunities to improve consumer perception of agriculture
- Improved communication between agriculture and consumers
- Cost of food and food security concerns

> "The fact that [so much] of the farmland in Wellington County has the highest quality of soil for agriculture should be the most prominent reason for our politicians to protect this land from development."
>
> -Survey respondent (non-farmer)

Appendix D: Map of the Greater Golden Horseshoe

Source: Government of Ontario. March 2022. Retrieved from: https://www.ontario.ca/page/planning-transportation-greater-golden-horseshoe



[1] **Disclaimer:** ConnectON strives to provide the most current, accurate data available. Please note the following:

- The map displays information based on a combination of various sources: Municipal Data (business directories, etc.), Farm Business Registration Data, OMAFRA Food and Beverage data and Open Source Data (i.e. Trillium Advanced Manufacturing data)
- The dots on the map correspond to the business registration address and in a few cases may not correspond with the physical location of the business or all of the business locations. For example, a farm business may have one address for their registered business, but multiple locations where farming activities are occurring.
- Some farmland could be owned by a business with a business address outside of the map area and therefore would not show up on the Wellington County Map.

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