10
GREATER TORONTO AREA AGRICULTURAL PROFILE

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report, December 16, 2003, from the Commissioner of Planning and Development Services:

1. RECOMMENDATIONS

It is recommended that:

1. This report be received for information.

2. The Regional Clerk circulate this report to the Agricultural Advisory Liaison Group and the area municipalities for their information.

2. PURPOSE

In 2000, Regional Council received a report on the GTA Agricultural Economic Impact Study (1999). The purpose of this report is to provide Regional Council with a summary of the recently completed 2001 Agricultural Profile Update.

3. BACKGROUND

In 1999, Margaret Walton and Associates, in association with Betsy Donald and J. Ross Raymond and Associates Ltd., undertook a GTA Agricultural Economic Impact Study on behalf of the Federations of Agriculture and the Regions of York, Durham, Peel and Halton. The main objectives of the Study were to measure the economic impact of agriculture in the GTA and to share the findings with all three levels of government to assist them in making informed decisions about the future of agriculture in the GTA.

A major component of the 1999 Agricultural Economic Impact Study was a profile of agriculture in the GTA. This profile was based on the 1996 Census of Agriculture compiled by Statistics Canada. With the release of the 2001 Census of Agriculture, it was necessary to update the profile to assess how agriculture has changed in the GTA between 1996 and 2001. As a result, Planscape Inc. was retained by the GTA Federations of Agriculture and the four Regions to prepare an update of the agricultural profile.

The issues raised in the 1999 report were considered by the four Regional Governments and the City of Toronto who confirmed their commitment to preserving agriculture and agri-business as viable industries within the GTA. Working in partnership with the GTA Federations of Agriculture, the four Regions and the City of Toronto are in the process of developing an Agricultural Action Plan for the GTA. Information contained in the Agricultural Profile Update will be used to support the development of the Action Plan. The Proposed Action Plan is the subject of another report on this Agenda.

4. ANALYSIS AND OPTIONS

The GTA Agricultural Profile Update confirmed that there have been no major shifts in the trends identified in the 1999 study. Agriculture remains a significant component of the fabric of the GTA. It is "a diverse multi-faceted industry based on an outstanding limited non-renewable resource…It makes a significant contribution to the area economy and to the environmental health and the quality of life for area residents." (*Executive Summary, Greater Toronto Area Agricultural Profile, November 14, 2003, pg. iv)*

The statistical overview in the Update Report provides some interesting insights into the status of agriculture in the GTA.

4.1 GTA Rankings

The GTA ranked third in geographic size compared to 49 regions, counties and districts across Ontario. In terms of the number of farms, the GTA as a whole continued to have more census farms than any other regions in Ontario. Within the GTA, York Region ranked 27th among the 49 regions, behind Durham which ranked 14th.

The GTA also continued to compare favourably to other agricultural regions in terms of farmland acres and total agricultural production. In 2001, the GTA was only second to Huron County in farmland acreage, and was first in generation of gross farm receipts. By regions, York ranked 33rd in farmland acres and 20th in gross farm receipts. Compared to Huron County which was considered the principal agricultural county in Ontario, farmers in the GTA produced more revenue on fewer acres of farmland than Huron County.

Farms in the GTA continued to be highly productive, given the superior quality of the land base. In 2001, GTA ranked 11th in the Province in terms of average gross farm receipts per acre. York Region ranked 10th, behind Halton at the fourth place and Peel at eighth.

4.2 Industry Profile

4.2.1 Number of Farms

In 2001, there were 3,870 census farms in the GTA - 1,709 in Durham, 1,020 in York, 619 in Halton, and 522 in Peel. This represents a decline of 751 farms or 16% since 1996. The percentage decline in number of farms was higher than in southern Ontario region and in Ontario generally. Among the Regions, Peel replaced York as the Region with the largest decrease in the number of farms.

The Update suggests that the ongoing trend of farm amalgamation could be one of the reasons for the decline in the number of farms. Amalgamation would result in lower number of farms but larger individual operations.

4.2.2 Farmland Acres

In terms of acreage, the percentage decline in farmland acres in the GTA was less than the decrease in the number of farms, indicating that the Provincial trend to larger operations was reflected in the GTA. In 2001, there were 709,442 acres of farmland in the GTA. This represents a decrease of 50,319 acres or 7% from 1996. The Greater

Toronto Area continued to experience a significant loss of farmland at a rate considerably higher than other areas of the Province.

Table 1 shows the changes in farmland acres between 1996 and 2001 by Region and by area municipality in York Region. Notably, Whitchurch-Stouffville has experienced one of the largest declines (7,777 acres or 28%) in farmland in the period between 1996 and 2001, after a gain of 7% during 1976-1996. Georgina and Richmond Hill were two of the four GTA municipalities which have shown small increases in farmland acres. While Richmond Hill has experienced the highest rate of decline in the number of farms (45%), there was an increase of 224 farmland acres. It should be noted that data for Richmond Hill includes Newmarket and Aurora, both of which had insufficient farmland to be reported separately as of 1996.

Table 1
Farmland Acres in the GTA by Region and Area Municipality in York Region Compared to Ontario and Surrounding GTA, 1996 and 2001

Municipality/Region	1996	2001	Percentage Rate of Change
Ontario	13,879,565	13,507,357	-3%
Surrounding GTA[1]	2,058,573	1,958,655	-5%
GTA	759,756	709,442	-7%
Halton Region	109,187	98,758	-10%
Peel Region	120,026	104,433	-13%
Durham Region	336,857	330,286	-2%
York Region[2]	193,686	175,965	-9%
East Gwillimbury	30,777	26,216	-15%
Georgina	32,727	33,663	3%
King	43,881	42,497	-3%
Markham	28,409	28,437	0%
Richmond Hill	6,630	6,854	3%
Vaughan	23,079	17,892	-22%
Whitchurch-Stouffville	28,183	20,406	-28%

[1] Surrounding GTA includes the City or Counties of Hamilton, Wellington, Dufferin, Simcoe, Kawartha Lakes and Northumberland

[2] Starting in 1986, Statistics Canada have amalgamated farm information from some municipalities into adjoining area municipalities (Aurora/Newmarket into Richmond Hill, and City of Toronto into Vaughan), in order to protect the confidentiality of the data. The number of farms in these municipalities have declined to a level where it could be possible to identify specific operations

4.2.3 Area in Field Crop

The area of land in field crops is significant because it represents land in active production. In the GTA, 71.2% of the total farmland were in field crops in 2001, compared to 66.5% in 1996. Although the percentage of land in field crops was higher in 2001 than five years ago, it actually represents a decline of 269 acres under production because of the overall decline in farmland acres in the GTA since 1996. Within the GTA, Durham has shown an increase in the percentage of land in crops, while York and Halton have experienced a small decrease. Significantly, Peel has experienced a relatively large decrease of land in crops, similar to the decrease in farmland acres.

However, the percentage of land in field crops in the GTA was still higher than the Province at 66.9%, or the area surround the GTA at 65.6%. Among the regions, Halton has the highest percentage (76.2%) of land under production, followed by Peel (74.8%), York (73.7%) and Durham (67.2%). This higher percentage has a direct relationship to both the value of the land and its productivity. The majority of the GTA lands is prime land and is highly productive. There are also fewer pockets of non-productive land which cannot be cultivated. It therefore makes economic sense to maximize the use of highly productive land for production.

4.2.4 Farm Size

Following the Provincial trend to larger farms, the average farm size in the GTA continued to increase steadily. The average farm size increased from 164 acres in 1996 to 183 acres in 2001. The increase had been consistent for each of the regions, with fluctuations at the local municipality level. Average farm size in Richmond Hill increased by 100 acres, making it the top GTA municipality with the largest percentage increase (87.7%) since 1996. Vaughan and Whitchurch-Stouffville were among the four area municipalities within the GTA that had experienced a decrease in average farm size.

In 2001, the majority of the farms in York Region were between 10 to 69 acres, followed by farms in the 70-129 acres category. This trend is consistent with that of the GTA where most of the land is highly productive and therefore less land is required to yield an economically viable crop.

4.2.5 Farm Type

The GTA continued to support a diverse mix of agricultural production. An analysis of the farm types in 2001 indicates that compared to 1996:

- Cattle, dairy and hog had remained constant, with a slight increase in poultry.
- The proportion of vegetable operations remained constant, with a slight decline in fruits.
- The share of grain and oilseed increased considerably, with a drop in the number of miscellaneous specialty farms.
- Miscellaneous specialty farms (such as sheep, horse, mushroom, greenhouse and nursery products, maple syrup and Christmas trees) continued to be the dominant sector based on the number of farms, especially in areas of close proximity to urban concentrations.
- Among the specialty farms, the dominant types of operations were horse and pony, greenhouse products, and nursery and sod.

On the basis of number of farms, the dominant farm types in York Region were miscellaneous specialty farms, followed by cattle, grain and oil seed, vegetables, field crops and dairy. Consistent with past trends, the horse industry dominated in York with King Township having the largest number of horse farms among all GTA municipalities.

There were 159 horse farms in York, making it the second highest among the regions, next to Durham.

4.2.6 Land Ownership

Within the GTA, 47% of the farmland was rented in 2001, which is considerably higher than the Province and the area surrounding the GTA which averaged at 31% and 37% respectively. In 2001, York continued to lead the GTA in percentage of rented farm at 57%, followed by Halton and Peel at 54%. Durham had the lowest percentage of rental farmland at 37%. The Update suggests that there is a correlation between proximity to Toronto and rental rates.

4.2.7 Characteristics of Farm Operators

In 2001, there were 5,535 farm operators in the GTA, a decrease of 1,090 compared to 1996. The decrease was witnessed in all four regions, with Peel leading the decline at 26% for the period between 1996 and 2001. York Region had a total of 1,445 farm operators in 2001, compared to 1,725 in 1996, representing a 16% loss in the number of farm operators in the Region.

The majority of farm operators were male between the ages of 35 to 54. Only a small percentage of operators were under the age of 35. However, when the value of production was taken into account, the average age of operators falls. In the lower value range (less than $50,000 per annum), the average age ranged from 54.7 to 56.5, but in the high value category (over $500,000 per annum) the average operator age is in the 35-54 bracket. Notwithstanding this statistic, the Profile concludes that the advancing ages of farm operators is still of concern in the GTA.

4.3 Economic Profile

4.3.1 Gross Farm Receipts

Despite the loss of approximately 50,000 acres of farmland between 1996 and 2001, farm operations in the GTA generated a total of $671 million in gross farm receipts in 2001. This represents an increase of $86 million or 14.7% over the five-year period. The increase is across all regions in the GTA. Among the regions, the trend continued with Durham generating the highest gross farm receipts at $234 million, followed by York at $179 million, Halton at $141 million, and Peel at $117 million. King Township ranked third of all GTA municipalities in total gross farm receipts, next to Halton Hills and Caledon.

The GTA continued to have a very high productivity in 2001 as measured by gross farm receipts per acre. The average receipt per acre for GTA was $946 compared to the Provincial average of $675. Regionally, Halton had the highest per acre rate of $1,433, followed by Peel, York and Durham. Compared to 1996, York had dropped behind Peel in gross farm receipts per acre.

An analysis of gross farm receipts per acre by municipality across the GTA reflects a correlation between productivity and urbanization. Municipalities showing a decline in productivity (Burlington, Vaughan and Mississauga) were ones experiencing urbanization, while those that exhibit an increase in productivity were municipalities located in the outer limits of GTA (Milton, Halton Hills, King, East Gwillimbury and Scugog).

The distribution of gross farm receipts by GTA Region and by area municipality in York is shown in Table 2.

Table 2
Distribution of Gross Farm Receipts in the GTA by Region and Area Municipality in York Region, 2001

Municipality/Region	Total Gross Farm Receipts ($)	Gross Farm Receipts Per Acre ($)
GTA	670,864,235	946
Halton Region	141,473,312	1,433
Peel Region	116,536,793	1,116
Durham Region	233,890,944	708
York Region	178,963,186	1,017
East Gwillimbury	41,087,262	1,567
Georgina	15,715,938	467
King	49,805,134	1,172
Markham	15,800,432	556
Richmond Hill	8,115,286	1,184
Vaughan	21,256,443	1,188
Whitchurch-Stouffville	27,182,691	1,332

The types of operations that dominate in number of farms are not necessarily the ones to dominate economically in the GTA. In terms of gross farm receipts, the top five most productive sectors in 2001 were dairy, greenhouse product, grain and oilseed, nursery product and sod, and horse and pony. Whereas the top five sectors that dominated in the number of farms were cattle, horse and pony, grain and oilseed, dairy, and other miscellaneous speciality.

Analysis of the distribution of gross farm receipts by commodity types indicates that the agricultural industry in the GTA continued to be diverse, without dominance by a particular group to a large extent. Regionally, dairy was the dominant commodity in Durham and Peel, while dairy ranked seventh in York with vegetable being the top commodity followed by greenhouse products and poultry and egg.

Across the GTA, growth in gross farm receipts continued to occur in the number of farms reporting receipts exceeding $100,000 per year in 2001. At the same time, the Greater Toronto Area continued to have a higher percentage share of operations in the highest category (gross farm receipts in excess of $500,000) than either the Province as a whole or the area surrounding the GTA. Regionally, York had the highest percentage of operations generating in excess of $500,000 in gross farm receipts, while Durham had the largest number of farms reporting receipts in the category between $250,000 and $499,999.

4.3.2 Farm Operating Costs

Farm operating costs represent the value that farms contribute to the broader community through the purchase of goods and services. The cost of farming in the GTA continued to be higher than in other areas. In the Greater Toronto Area, the average farm operating costs had risen from $109,855 per farm in 1996 to $151,051 by 2001. The average operating cost per acre increased from $668 to 824. Peel had the highest increase in operating costs, raising by $100,000 per farm or 44% per acre in the period between 1996 and 2001, and replacing York as the second most expensive region to farm in the GTA. Increases in the other three Regions were about 22% per farm. Halton continued to be the Region with the highest operating costs over the five-year period.

4.3.3 Farm Capital

The Agricultural Update defines farm capital as the value of all capital including machinery, land, buildings, livestock and poultry. Compared to other regional municipalities and counties in Ontario, regions in the GTA continued to have high total farm capital values. The total value of farm capital reported in the GTA increased to $6.1 billion in 2001 from $5.2 billion in 1996, despite the loss of approximately 50,000 acres in farmland. York Region, with farm capital totalling $2,054 million in 2001, continued to report the highest value of farm capital among the GTA regions. In terms of municipalities, King Township reported the second highest farm capital value of $594 million, next only to Caledon at $1,041 million.

4.4 Economic Impact

The 1999 Agricultural Economic Impact Study estimated that agriculture had generated approximately $1.3 billion in annual gross sales, based on annual gross farm receipts of $585 million. Since gross farm receipts had increased by 14% to $670 million in 2001, it was assumed that the value of total gross sales would have increased proportionally. Further, given the trends in the industry and the intensification that had been witnessed in the sector, the multiplier effect of agriculture on the economy would probably have increased as well.

In 2001, 24,730 jobs or 1.7% of those employed in the GTA were agricultural and other resource-based, compared to 3.2% for the Province. Among the Regions, Durham had the highest percentage of agricultural employment, while Peel had the lowest. Within the GTA, there was an increase of 10,605 jobs or 75% in the agricultural resource sector between 1996 and 2001. The increase was evident across the Regions, with the exception of Peel where agricultural employment remained at the same level in the five-year period. The largest increase was in Durham. There were 5,515 people employed in the agricultural and other resource-related industries in York in 2001, an increase of 2,285 or 70% since 1996. Within York Region, King, East Gwillimbury and Whitchurch-Stouffville had the largest percentage of people employed in the agricultural sector, although both King and Whitchurch-Stouffville had experienced a percentage decrease during the 1996-2001 period.

4.5 Recommendations

The Agricultural Profile Update concludes with the following recommendations:

- A provincial commitment is needed to support agriculture.
- Regional Official Plans should be reviewed and strengthened to support agriculture.
- Efforts should be made to continue to address the recommendations from the 1999 Economic Impact Study.
- Infrastructure services must be designed in response to agricultural needs and in a way that does not increase pressure for urban development.
- Additional work should be done to address the need to retain an agricultural service infrastructure.
- Government actions should be geared to creating an environment of economic prosperity which is critical to the ongoing success of agriculture.
- An analysis should be conducted to determine if the decline in farmland acres between 1996 and 2001 is occurring in areas outside of the agricultural designations in the Regional Official Plans.
- The importance and strength of the agricultural industry in the GTA must be promoted.

4.5.1 Relationship to Vision 2026

The Agricultural Profile Update will enhance the understanding of the Region's agricultural industry, and support the Vision 2026 goal of "Enhancing the Agricultural Base".

5. FINANCIAL IMPLICATIONS

The Region's share of the cost associated with the Agricultural Profile Update is $3,745. The amount was included in the Economic Development Budget for 2003.

6. LOCAL MUNICIPAL IMPACT

The Profile Update will increase the understanding of the agricultural industry at the area municipal level. This report will be circulated to all the local municipalities for their information.

7. CONCLUSION

The Agricultural Profile Update concludes that the agricultural sector in the GTA is a valuable resource and must be preserved. It is recommended that this report be circulated to the area municipalities and the Agricultural Advisory Liaison Group, and that the Profile Update be used to support the development of the GTA Agricultural Action Plan.

The Senior Management Group has reviewed this report.