

### 2.2.3 Examples of Uses that Would Typically Not be Agriculture-Related Uses

Examples of uses that would typically not be *agriculture-related uses* because they do not meet PPS definitions or criteria include:

- large food processing plants, large wineries and other uses that are high-water-use or effluent generators and are better suited to locations with full municipal services
- micro-breweries and distilleries
- contractors' yards, construction companies, landscapers, well drillers, excavators, paint or building suppliers
- sewage biosolids storage and composting facilities for non-agricultural source material
- antique businesses
- art or music studios
- automobile dealerships, towing companies, mechanics shop or wrecking yards
- rural retreats, recreational uses and facilities, campgrounds or fairgrounds
- conference centres, hotels, guest houses or restaurants
- furniture makers
- institutions such as schools or clinics
- seasonal storage of boats, trailers or cars
- veterinary clinics
- trucking yards

While not meeting the criteria for *agriculture-related uses*, some of these uses may fit under *on-farm diversified uses* if all criteria for that category of uses are met.

## 2.3 On-Farm Diversified Uses

A wide variety of uses may qualify as *on-farm diversified uses* based on the PPS definition, as long as they meet the criteria described below. *On-farm diversified uses* should be related to agriculture, supportive of agriculture or able to co-exist with agriculture without conflict. *On-farm diversified uses* are intended to enable farm operators to diversify and supplement their farm income, as well as to accommodate value-added and *agri-tourism uses* in *prime agricultural areas*.

**On-farm diversified uses:** means uses that are secondary to the principal *agricultural use* of the property, and are limited in area. *On-farm diversified uses* include, but are not limited to, home occupations, home industries, *agri-tourism uses*, and uses that produce value-added agricultural products.

PPS, definitions

### 2.3.1 PPS Criteria for On-Farm Diversified Uses

All of the following criteria must be met to qualify as *on-farm diversified uses*, in accordance with the PPS.

#### 1. Located on a farm.

(from the label "*on-farm*" *diversified uses* and from the definition's requirement that the use be secondary to the principal "*agricultural use*" of the property)

*On-farm diversified uses* must be located on a farm property that is actively in *agricultural use*. The *on-farm diversified uses* provisions in the PPS do not apply to small residential lots in the *prime agricultural area*.

As noted in Section 2.1 of these guidelines, *agricultural uses* occur on a farm with the expectation of gain or reward. This does not include production primarily for use or consumption by members of the household of the owner or operator of the agricultural operation, for purposes of pastime or recreation, or in a park, on a property used primarily for residential purposes or in a garden located in a public space. The planning authority may require evidence that the property is actively farmed. For example, proof may be required that shows the property qualifies for the Farm Property Class under the *Assessment Act, 1990*.

**2. Secondary to the principal *agricultural use* of the property.**  
(from the PPS definition of *on-farm diversified uses*)

While the PPS definition of *on-farm diversified uses* allows for a wide range of on-farm economic opportunities, it also requires those uses be secondary to the principal *agricultural use* of the property. In other words, *agricultural uses* must remain the dominant use of the property. This is measured in spatial and temporal terms. Spatially, the use must be secondary relative to the *agricultural use* of the property. The spatial limits are addressed below under the “limited in area” criterion.

Temporal considerations apply to uses that are temporary or intermittent, such as events. Given that *on-farm diversified uses* (and *agriculture-related uses*) must be compatible with surrounding agricultural operations, the frequency and timing of any events must not interfere with cropping cycles or other *agricultural uses* on the farm or in the surrounding area.

Even temporary uses must meet all criteria for *on-farm diversified uses*. Acceptable uses must be compatible with and able to coexist with surrounding agricultural operations, and:

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

If all criteria are met, events may be accommodated through a temporary use zoning by-law under the *Planning Act, 1990*, provided no permanent alterations are proposed to the land or structures (e.g., stages, washrooms or pavilions). The temporary zoning must be structured in a way that the farmland is returned to agriculture immediately following the event (e.g., detailed provisions to avoid soil compaction, timing events to avoid impacts on cropping systems). The intention is that these uses are permitted only on an interim basis.

*The Municipal Act, 2001*, authorizes municipalities to pass by-laws, issue permits and impose conditions on events. These by-laws may require site plans, traffic plans, emergency plans and security plans. These by-laws can help ensure uses are reasonable without the need for other approvals.

Large-scale, repeated or permanent events are not *on-farm diversified uses* and should be directed to existing facilities such as fairgrounds, parks, community centres and halls, *settlement areas* or *rural lands*. Guidelines on new venues in *prime agricultural areas* are provided in Section 3.2 Limited Non-Agricultural Uses.

### 3. Limited in area.

(from the PPS definition of *on-farm diversified uses*)

While PPS policies enable a wide variety of on-farm economic opportunities, the PPS also requires those uses are limited in area. This criterion is intended to:

- minimize the amount of land taken out of agricultural production, if any
- ensure agriculture remains the main land use in *prime agricultural areas*
- limit off-site impacts (e.g., traffic, changes to the agricultural-rural character) to ensure compatibility with surrounding agricultural operations

Many municipalities limit the scale of *on-farm diversified uses* by limiting the number or place of residence of employees, number of businesses, percentage of products sold that are produced on the farm or floor area of buildings and outdoor storage. However, these factors do not have a direct bearing on the amount of farmland displaced or fully account for all the land occupied by the uses. A preferred approach is to base “limited in area” on the total footprint of the uses, on a lot coverage ratio basis.

Guidance on the “limited in area” criterion is based on a review of existing municipal approaches in Ontario, observations and experiences of OMAFRA staff across the province, benchmarking against existing diverse farms, development of scenarios and stakeholder input. Realistic scenarios to predict how much land could be used for *on-farm diversified uses* on small, medium and large farms are provided in Appendix 2. Appendix 3 offers an example of an existing, diversified farm with a combination of permitted uses, illustrating how the *on-farm diversified uses* portion of the property is calculated.

The approach to the “limited in area” criterion is intended to:

- achieve the balance between farmland protection required by the PPS and economic opportunities for farmers
- improve consistency among municipalities in terms of the land area that could be used for such uses
- level the playing field for different types of *on-farm diversified uses*
- provide flexibility as *on-farm diversified uses* and owners change
- simplify implementation

The “limited in area” requirement should be based on the total land area that is unavailable for agricultural production as a result of the *on-farm diversified use* (i.e., the footprint occupied by the use, expressed as a percentage of lot coverage). The area calculation should account for all aspects related to an *on-farm diversified use* such as buildings, outdoor storage, landscaped areas, berms, well and septic systems, parking and new access roads. The lot coverage ratio should be based on the size of the individual parcel of land where the use is located, not the total area of a farm operation which could include several parcels. The rationale for using a lot coverage ratio is built on the premise that a large property is generally able to accommodate a larger *on-farm diversified use* than a small property while meeting compatibility requirements.

Where available, uses should be within existing agricultural buildings or structures no longer needed to support agricultural production. Reusing existing buildings or structures can help to:

- reduce the amount of farmland consumed
- maintain the agricultural/rural character of the area
- ensure existing buildings are kept in good repair or improved

As farmers expand and modernize their agricultural operations, they often prefer to build new structures based on current standards rather than retrofit older buildings. This can result in surplus buildings that could be repurposed. It is recommended that for “limited in area” calculations, the area of existing buildings used for *on-farm diversified uses* be discounted at an appropriate rate (e.g., 50%). Be aware that a change in the use of a building may result in a change in building code requirements (Section 2.5.7).

If an *on-farm diversified use* occupies the same footprint as a demolished building, the land area for the use may be similarly discounted. This recognizes that it is unlikely that land under a demolished building will be returned to an *agricultural use*. However, preference should be given to reuse of existing buildings where possible.

It is recommended that the area of existing laneways not be included in area calculations. This will encourage *on-farm diversified uses* to locate within existing farm building clusters and minimize impacts on agricultural production.

If an existing barn (or a barn destroyed by fire,) is restored for an *on-farm diversified use* with the same footprint as the existing barn, only 50% of the building's footprint is counted in the area calculations. Likewise, the footprint of a home occupation in an existing residence or outbuilding may be calculated at 50% of the area of the office. However, 100% of the area needed for parking and outdoor storage would be included. Existing laneways are not counted in the area calculations but 100% of the area for new laneways would be included.

These guidelines recommend that “limited in area” be relative to the size of the farm property on which the *on-farm diversified use* is located. The size of the entire farm property, including land subject to an easement, and not just the portion of a farm that is in *agricultural use*, should be considered. For example, a use occupying 1 ha on a 50 ha farm may be “limited in area,” while a 1 ha use on a 15 ha farm may not be. These guidelines recommend that the standard for the acceptable area occupied by an *on-farm diversified use* is up to 2% of a farm parcel to a maximum of 1 ha (10,000 m<sup>2</sup>). The examples of *on-farm diversified uses* in Appendix 2 show the variety of uses that could be placed on different-sized parcels of land, while staying within the recommended maximum lot coverage of 2%.

In the case of *on-farm diversified uses* that are intermittent, such as events, “limited in area” may mean an area greater than the general recommendations above (Section 2.3.1.1). When calculating the area for *agri-tourism uses* such as wagon rides or corn mazes, lands producing a harvestable crop are *agricultural uses* that are not included in area calculations. However, areas such as playgrounds and loading areas for hayrides should be included.

If more than one *on-farm diversified use* is proposed on a single property, the combined area of all *on-farm diversified uses* should be within the above area and lot coverage guidelines.

If the area of a proposed *on-farm diversified use* exceeds the recommended area thresholds in these guidelines, give consideration to PPS Policy 2.3.6 on non-agricultural uses in the *prime agricultural areas*. *On-farm diversified uses* that are proposed to grow beyond the area limits, either incrementally or otherwise, are not supported.

Since the PPS requires *settlement areas* to be the focus of growth and *development*, large-scale industrial and commercial buildings appropriate in *settlement areas* (due to servicing, accessibility, etc.) are not permitted in *prime agricultural areas*. It is recommended that the gross floor area of buildings for *on-farm diversified uses* be capped at a scale appropriate to *prime agricultural areas*. Municipalities may set the building size cap based on a maximum lot coverage ratio (i.e., proportion of the 2% of the property that may be used for *on-farm*

*diversified uses* to be covered by buildings).<sup>5</sup> Alternatively, municipalities may define maximum gross floor area limits numerically (e.g., maximum gross floor area for properties 15–20 ha is 600 m<sup>2</sup>, and so on for different sized properties). Regardless of how the cap is set, the area of existing buildings, should not be discounted when calculating the gross floor area of buildings for *on-farm diversified uses*.

### Recommended Area Calculations for On-Farm Diversified Uses

- existing laneways shared between *agricultural uses* and *on-farm diversified uses* are not counted
- area of **existing** buildings or structures, built prior to April 30, 2014, occupied by *on-farm diversified uses* is discounted (e.g., 50%)
- area of **new** buildings, structures, setbacks, outdoor storage, landscaped areas, berms, laneways, parking, etc. are counted at 100%
- *on-farm diversified uses* may occupy no more than 2% of the property on which the uses are located, to a maximum of 1 ha
- the gross floor area of buildings used for *on-farm diversified uses* is limited (e.g., 20% of the 2%)

4. **Includes, but is not limited to, home occupations, home industries, *agri-tourism uses* and uses that produce value-added agricultural products.**  
(from the PPS definition of *on-farm diversified uses*)

The PPS definition provides a number of examples of *on-farm diversified uses*. Beyond these examples, other uses may also be suitable, subject to meeting all PPS criteria.

The PPS language related to uses that are not related to agriculture (i.e., home occupations, home industries), suggests that in *prime agricultural areas*, these operations must be at a reasonable scale, as discussed under the “secondary to...” and “limited in area” criteria.

Municipalities may wish to encourage *on-farm diversified uses* that relate to agriculture (e.g., *agri-tourism* and value-added uses) by streamlining approvals for these uses.

5. **Shall be compatible with, and shall not hinder, surrounding agricultural operations.**  
(from PPS Policy 2.3.3.1)

Refer to the discussion of this policy under *agriculture-related uses* (Section 2.2) as it applies equally to *on-farm diversified uses*. Some uses that meet other *on-farm diversified uses* criteria may not meet the compatibility criterion. For example, uses that attract large numbers of people onto the farm for non-farm events or for recreational purposes could result in soil compaction on the farm itself, excessive noise and trespass issues that may be incompatible with surrounding agricultural operations. Commercial or industrial uses that have a large number of employees or attract a large number of customers may also not be compatible in the *prime agricultural area*. In addition, some uses may be better suited to *settlement areas* where municipal services are available (PPS Policy 1.6.6). Municipalities should consider how effectively any impacts can be mitigated before allowing different uses in *prime agricultural areas*.

<sup>5</sup> Maximum lot coverage ratios for rural commercial or rural industrial lots might provide a useful perspective in setting the cap on gross floor area for buildings used for *on-farm diversified uses*. For example, if the maximum lot coverage ratio for rural commercial or rural industrial lots is 30%, the appropriate ratio for the *on-farm diversified uses* portion of the farm might be lower given the agricultural setting (e.g., 20% of the 2%).



### Compatibility Considerations

- does not hinder surrounding agricultural operations
- appropriate to available rural services and *infrastructure*
- maintains the agricultural/rural character of the area
- meets all applicable environmental standards
- cumulative impact of multiple uses in *prime agricultural areas* is limited and does not undermine the agricultural nature of the area

Nano or micro-breweries and small distilleries may fit the definition of *on-farm diversified uses* if they are able to meet all PPS criteria for that category of uses. However, these uses should be appropriate to available rural water and wastewater services. High water use/effluent generation operations are generally inappropriate in *prime agricultural areas* and may require capacity beyond what is available on the site. The appropriate scale to qualify as an *on-farm diversified use* needs to be assessed on a case-by-case basis.

In *prime agricultural areas* with multiple *on-farm diversified uses* on several farms, the collective impact of these uses should be limited and not undermine the agricultural nature of the area or the health of the environment. Whether a proposed new *on-farm diversified use* is compatible depends on other uses in the area and how the area would be affected by all of these uses.

### 2.3.2 Examples of On-Farm Diversified Uses

Figure 3 provides examples of the uses that could be classified as *on-farm diversified uses* if they meet all the PPS criteria.

#### Veterinary Clinics

Veterinarians who treat farm animals are usually based out of mixed animal clinics and provide mobile veterinary services. Mixed animal clinics are often located within *settlement areas*, but they could be *on-farm diversified uses* if all PPS criteria can be met.

Besides these examples, uses that share some characteristics with *agriculture-related uses* but that do not meet all of the criteria for *agriculture-related uses* (e.g., primarily provide products or services to agriculture in the area), could qualify as *on-farm diversified uses*. Storage for non-regional agricultural products is an example.



Value-added uses that could use feedstock from outside the surrounding agricultural area (e.g., processor, packager, winery, cheese factory, bakery, abattoir)



Home occupations (e.g., professional office, bookkeeper, land surveyor, art studio, hairdresser, massage therapist, daycare, veterinary clinic, kennel, classes or workshops)\*



Home industries (e.g., sawmill, welding or woodworking shop, manufacturing/fabrication, equipment repair, seasonal storage of boats or trailers)



Agri-tourism and recreation uses (e.g., farm vacation suite, bed and breakfast, hay rides, petting zoo, farm-themed playground, horse trail rides, corn maze, seasonal events, equine events, wine tasting, retreats, zip lines)\*



Retail uses (e.g., farm market, antique business, seed supplier, tack shop)\*



Café/small restaurant, cooking classes, food store (e.g., cheese, ice cream)\*

**Figure 3.** Examples of *on-farm diversified uses* provided all PPS criteria are met.

\* Source: Shutterstock

### 2.3.3 Examples of Uses that Would Typically Not be On-Farm Diversified Uses

Examples of uses that would typically NOT be *on-farm diversified uses* because they would not meet PPS definitions or criteria include:

- large-scale equipment or vehicle dealerships, hotels, landscape businesses, manufacturing plants, trucking yards
- uses with high water and sewage needs and/or that generate significant traffic, such as large food processors, distribution centres, full-scale restaurants, banquet halls
- large-scale recurring events with permanent structures
- institutional uses (e.g., churches, schools, nursing homes, cemeteries)<sup>6</sup>
- large-scale recreational facilities such as golf courses, soccer fields, ball diamonds or arenas

<sup>6</sup> Churches, schools and cemeteries that serve communities reliant on horse-drawn vehicles as a primary means of transportation may be limited non-residential uses, as discussed in Section 3.2 of these guidelines. The MDS Implementation Guidelines include a special provision for these types of uses.