

GREY COUNTY APPLES



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Challenges and Opportunities

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Grey County Apples

The Core of the Issue

OBSTACLES TO SUCCESS OF THE APPLE INDUSTRY IN GREY COUNTY AND OPTIONS GOING FORWARD

1 EXECUTIVE SUMMARY

Apple producers throughout North America are pressured by increasing competition from international growers and rising input costs. In 2007, China had increased its production by six times in 15 years (BCFGA, 2007). In addition, per capita consumption of fresh apples in North America has been in decline. The average North American consumed 3.08 kg of fresh apples in 2005, which represents a decline of over half a kilogram since 1991.

Grey County, traditionally an important apple growing region in Ontario, has not been immune to these market conditions. Recognizing a serious decline in apple production, the County of Grey is considering this situation by consulting with graduate students at the University of Guelph to determine planning practices that could help the industry remain viable or determine alternatives.

While many of the issues facing county growers must be addressed at a federal or provincial level, there are some options available for local consideration. County and municipal plans could support industry initiatives through collaborative efforts such as supporting farmers' markets and buy local campaigns. Land use planning and zoning considerations could also assist growers by addressing issues such as housing for workers, buffer zones, specialty crop land designations and secondary use policies. Facilitating linkages between affected stakeholders including the municipality, the county, local health units, small business development agencies, the Ontario Ministry of Agriculture, Food, and Rural Affairs (OMAFRA), as well as grower associations could provide a springboard for further action.

2 GREY APPLE INDUSTRY STUDY

2.1 Introduction and Terms of Reference

The apple growing industry in Grey County is in economic decline. This situation can be attributed to several parallel obstacles, such as: aging operators, high costs of replanting, global competition, and changing market demands.

As a result, Grey County requires options for addressing this issue. The options may be further divided into two streams. First, the County requires options for revitalizing and increasing the long term viability of this economically important sector. Second, the County requires options for supporting those growers that elect to transition out of the apple industry as well as potential uses for the specialized agriculture land designation.

The purpose of this study is to consider the historical and current context of the Apple Industry in Grey County in light of the above issues and look for options for moving forward focussing primarily on revitalization.

This study was conducted as part of the academic requirements of graduate students in Advanced Planning Practice, a course in the Rural Planning and Development Masters program at the University of Guelph. The project was chosen from a handful of other notable and worthy projects because it was recognized as a serious, exciting and challenging opportunity as the apple industry, like most agriculture in Ontario is undergoing serious transition and demands.

2.2 Methodology

The methods in this study utilized both primary and secondary research. Primary methods were through interviews and an online survey. Secondary research involved a case study, and a literature review which looked at relevant municipal and industry documents, such as official plans, strategic plans, Ministry of Agriculture, Food and Rural Affairs (OMAFRA) documents and Statistics Canada.

The survey questions were developed by conducting Key Informant Interviews with members of the apple industry from Grey County. Key informants included growers, industry experts, representatives of the

industry organization and planners and economic developers with Grey County, the Municipality of Meaford and the Town of the Blue Mountains.

The survey for this report was distributed electronically by the Ontario Apple Growers Association with responses collected using the Survey Monkey web service. The date of distribution was March 11, 2011 with the survey being closed on March 26, 2011. Overall, the survey was distributed to 55 individuals with 20 completing the survey, of which 19 were growers and 1 was a distributor.

Due to the small size of the sample we cannot refer to the survey's findings as statistically representative of the apple industry of Grey County. Nevertheless, the findings do provide insight into the current state of the industry; the issues faced by members located in Grey County; as well as potential options for addressing issues faced by the industry.

2.3 Background on Apples in Grey County

The apple is part of a shared identity of much of Southern Georgian Bay. A walk down Sykes Street in Meaford with a visit to the "Apple" information booth or a perusal of the Apple Pie Trail map and website reveals that tourism of Meaford and Blue Mountains has often focused on the icon of the apple. Grey County continues to grow more apples than any other county in Ontario, and a wide variety of apples, from the most popular Mac, Ida Red and Spy, to the newer Gala and Honey Crisp.

Most of the apples in Grey County are processed into juice with the rest sold in the fresh market. According to the latest data available, growers receive approximately \$0.06/lb for apples used for processing versus \$0.16 for fresh apples. The fresh market offers the greatest return for the grower. Table 1 illustrates the portion of fresh versus processed apples within five Ontario regions. Georgian Bay, part of which includes Grey County has a much higher rate of processed apples and a lower rate of fresh apples compare to all other regions.

Table 1 *Distribution of Fresh vs. Processed Apples*

District	2001		2002	
	Fresh (%)	Processing (%)	Fresh (%)	Processing (%)
1 (Niagara-Simcoe)	67	33	91	9
2 (London)	59	41	52	48
3 (Leamington)	58	42	77	23
4 (Georgian Bay)	17	83	23	77
5 (East)	77	23	63	37
Provincial Average	58	42	58	42

Source: OMAFRA, 2003

2.4 Apple Industry History in Grey County

Grey County, and more specifically St. Vincent Township (now part of the Municipality of Meaford), has a long history of apple growing and innovation. It was discovered early on that the lands near Cape Rich were ideal growing regions for apples. David Doran brought the first known seedlings to the area in 1837 (St. Vincent Heritage Association, 2004). Micro Climates caused by the effects of Georgian Bay buffered by the Niagara Escarpment to the south, allowed even tender fruits to be grown in this area. Late springs caused by the cool water of the bay delayed blossoms until the risk of late frost had passed; the water warmed over the summer caused the slow cooling of winter and allowed for a longer harvesting period (Almond, 1985).

Infrastructure was built to process apples, including dehydrating, canning, juicing and fermentation for cider vinegar in close proximity to growing areas and apples were shipped directly from the dock at Cape Rich (Almond, 1985). The Cape Rich area of St. Vincent flourished as an apple growing region until 1942 when 258 acres of land, containing nearly 9,000 trees, was expropriated for the military tank and firing range, now Land Forces Central Area Training Centre (Pedlar, 1984).

Gradually, orchards were planted south and east of St. Vincent into the Beaver Valley along the Niagara Escarpment, reaching 16,000 acres for the region by the 1930s (Findlay, 2010). Historically, orchards were smaller plots, between 1 acre average in 1921 (Statscan, 2009) to an average of 12 acres in 1983 (Pedlar, 1984).

2.5 Specialty Crop Land Designation

The specialty crop land designation is one consideration for land use planners in Grey County. This unique classification is provided to land based on considerations of soil quality, climate, and historical use as determined by Grey County and OMAFRA.

Ontario's Provincial Policy Statement (2005) defines Specialty Crop area as follows:

areas designated using evaluation procedures established by the province, as amended from time to time, where specialty crops such as tender fruits (peaches, cherries, plums), grapes, other fruit crops, vegetable crops, greenhouse crops, and crops from agriculturally developed organic soil lands are predominantly grown, usually resulting from:

- a. soils that have suitability to produce specialty crops, or lands that are subject to special climatic conditions, or a combination of both; and/or*
- b. a combination of farmers skilled in the production of specialty crops, and of capital investment in related facilities and services to produce, store, or process specialty crops (PPS, 2005).*

Grey County's Official Plan states that the Special Agriculture designation "applies to those unique areas of the County that lend themselves to the growing of fruit and vegetables. Supporting land uses such as farm produce storage, processing, packaging, or sales that must locate close to the farm operation to reduce spoilage and transportation costs are also permitted" (Grey County Official Plan, August 2000.). Grey's Official Plan further determines a minimum lot size within the special agriculture designation of 10 hectares.

2.6 Current State of the Industry

Until the mid-1990s, the apple industry in Ontario was enjoying significant gains in production levels and expanded crop areas. In the 2006 Census of Agriculture, Grey County had 4,300 acres of orchard lands.

Table 2 *Breakdown of Orchard Areas in Grey County, 2006*

Community	# of Acres
Blue Mountains	2,766
Meaford	1,341
Grey Highlands	123
Other Municipalities (combined)	70
Total	4,300

Source: Statscan, 2006

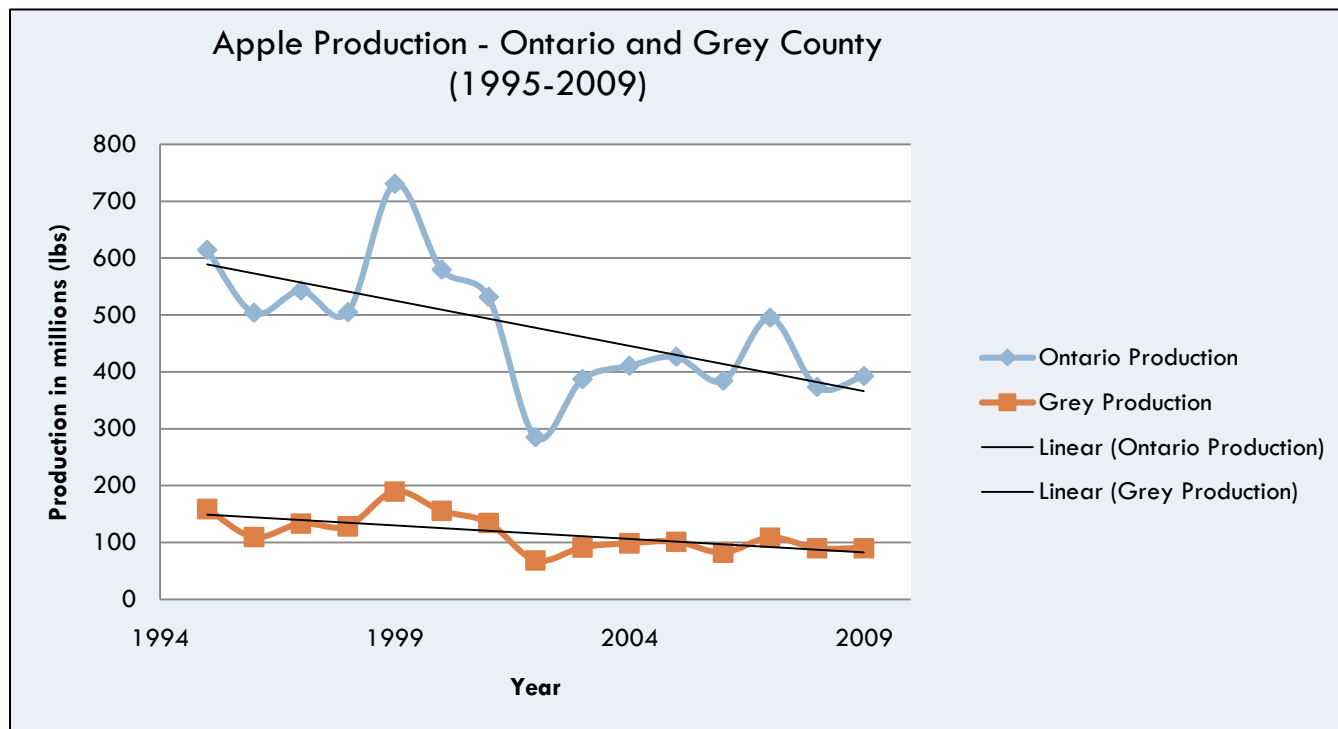
Table 2 shows that the majority of orchard acres, nearly 2/3, are found in Blue Mountains with nearly 1/3 in Meaford. There are 123 acres in Grey Highlands, in the southern Beaver Valley area. The total acres have experienced almost a 50% reduction since the 1990s when the area encompassed 8000 acres (Goldsmith, 2006).

This trend is observable across the province in all tree fruits. In 1921 there were 297,053 acres in tree fruits in Ontario, down to only 79,968 acres in 2006 (Statscan, 2009).

Figure 1 demonstrates apple production numbers observed in both the county and the province since 1995. At both levels apple production has experienced similar trends in variability. Production in Ontario during this period varied from a high of 730,500,000 lbs in 1999 to a low of 285,033,000 in 2002. In Grey County there was a high of 189,667,000 and a low of 68,578,000 for the same years.

Figure 2 provides a visual representation of what the decline of the industry might look like if it continued at the current rate with no intervention. It is modeled with projections using an average of the production decline using the actual historical numbers.

FIGURE 1

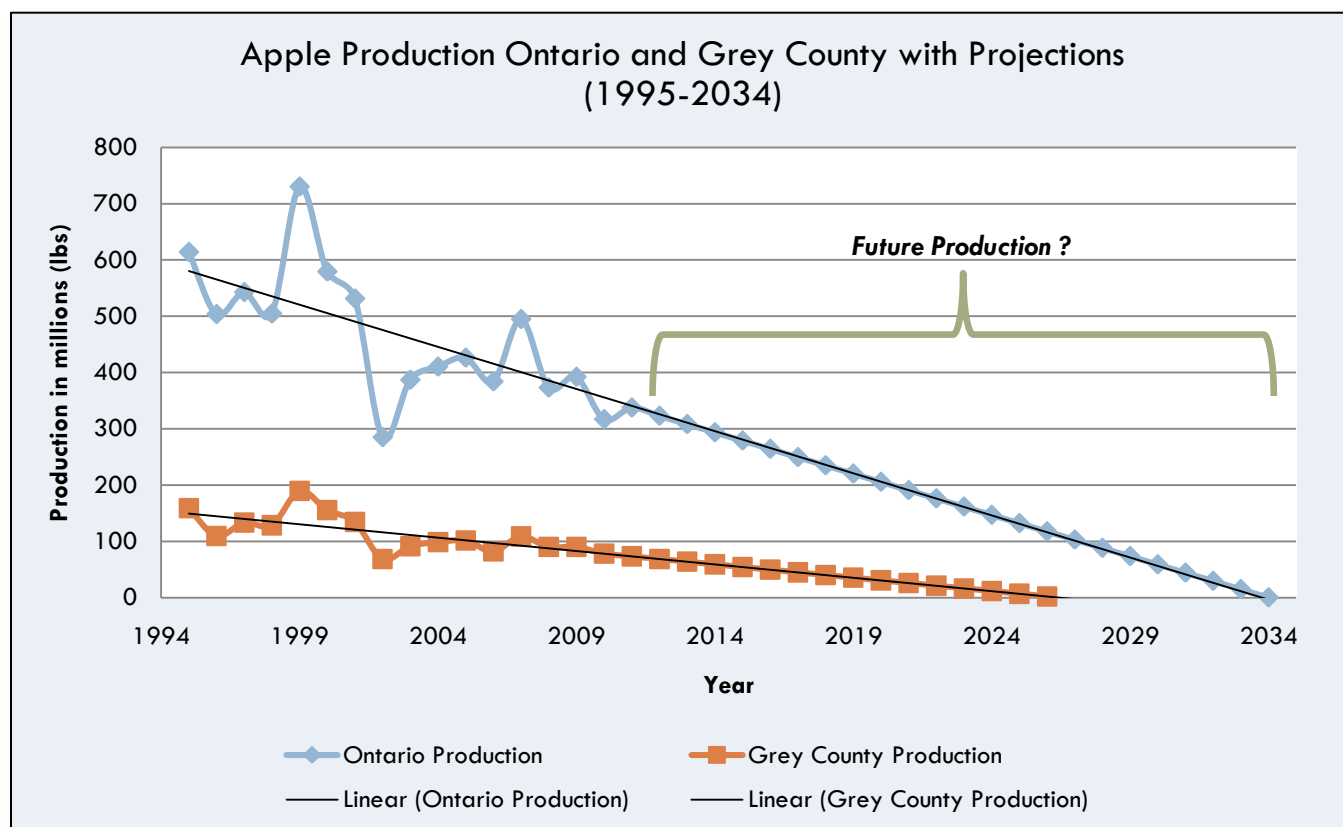


Source: OMAFRA, 2009

This projection is made based on three assumptions. First, it represents the “do nothing alternative” if there were to be no intervention in the industry at any level. Secondly, it assumes that the rate of decline will continue according to historical trends, and finally, that production will reach “absolute zero”. This last assumption is highly unlikely since hobby and smaller scale farms will likely continue and these will be less impacted by global and other stressors. However, for illustrative purposes, it makes a startling statement about the rate of decline experienced in the previous 15 years. The trend of overall decline is expected to continue since many acres of orchard trees were removed in 2010 due to OMAFRA’s Orchard and Vineyard

Transition Program (OVTP) which assisted with the removal of trees. It is important to note that no data was available about the number of orchards affected at the date of this report.

FIGURE 2



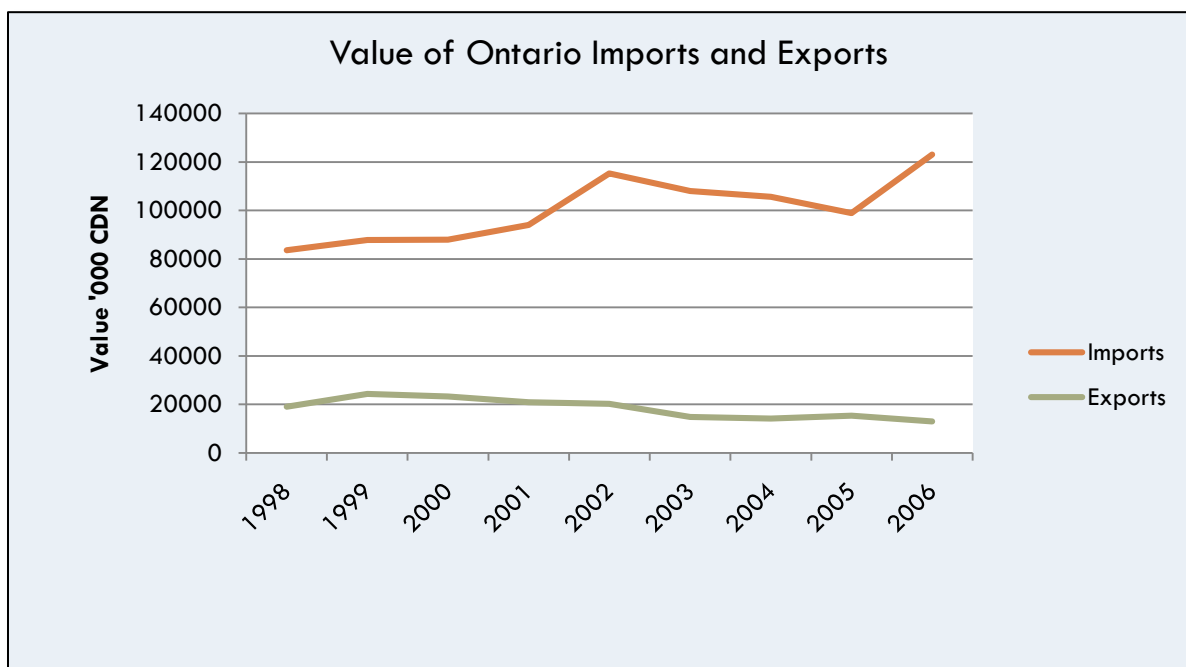
3 LITERATURE REVIEW AND CASE STUDY

3.1 Industry Strategic Plan

The declining apple industry in Grey County has had a similar pattern to the Ontario industry as a whole. Because of this, it may be useful to examine the Vineland 15-year Strategy that was published in January, 2010. This extensive study is a component of the Orchard and Vineyard transition program strategy that is administered by Vineland Research and Innovation Centre. The study, funded by Agriculture and Agri-Food Canada and the Ontario Ministry of Agriculture, Food, and Rural Affairs, examines many reasons for the decline in production and concludes with some recommendations to save the Ontario industry.

Ontario producers' market share is in decline and the province is steadily reducing its production in spite of a growing population and an increase in demand for all fresh fruit, including apples, tender fruit, and fresh grapes, of 12 per cent over the past 20 years. The Vineland study points to an industry that is not responsive to consumer expectations and inadequate government support for the industry as two of the biggest factors in this decline. This reduced competitiveness has taken its toll on the province's apple growing sector. Figure 3 shows that while the value of imported apples has increased, the value of what Ontario is exporting out of the province is steadily decreasing. Ontario producers saw their profitability decline by 27.4 per cent between 2003 and 2010, resulting in a five million dollar decline in margins. This decline in profitability is due in part to a rapid increase in input costs, including fertilizers, fuel, packaging and labour.

FIGURE 3



Source: Vineland 15-year strategy, January 2010

Ontario's competitors, including British Columbia, Washington State, New York State, and Nova Scotia, have all been more successful at maintaining viable industries that have enhanced efficiency throughout the supply chain, ensuring a higher quality product will reach consumers. Deloitte has summarized the inefficiencies throughout Ontario's value chain as resulting from "fragmentation, lack of collaboration, and

inconsistent application of quality control techniques across the value chain” (Deloitte, 2010). Producers who are forced to remain in the industry because there is no viable exit strategy for them exacerbate the problem. Lack of commitment to a future in the industry means that these producers do not tend to invest in improving their orchards, resulting in a lower quality product, which diminishes the consumer’s perception of Ontario fruit. This situation is not irreversible. Deloitte has developed the following mission for the industry:

Our mission is to:

- Work collaboratively to produce quality products,
- Meet or exceed the expectations of local, national, and international consumers,
- In a manner that produces a financial return competitive with other industries.

The 15-year strategy suggests meeting the stated objective is “to thrive in the domestic and global markets”. The strategy suggests this objective can be met if the industry makes the following changes:

- Focus on the consumer,
- Improve quality and value chain performance,
- Increase innovation within the industry.

In order to meet these objectives, the strategy includes the following suggestions:

1. Focus on the end consumer:

- a. *Get to know the consumer*
- b. *Improve value-chain communication*
- c. *Improve quality*
- d. *Improve marketing*

2. Improve quality and value chain performance:

- a. *Improve quality,*
- b. *Improve service delivery,*
- c. *Improve producer efficiency,*
- d. *Improve packer/processor efficiency,*
- e. *Improve cool chain effectiveness,*
- f. *Improve management capability.*

3. Improve industry innovation:

- a. *Update the industry's product mix,*
- b. *Develop a robust processing sector as a strategic choice,*
- c. *Improve awareness of innovation-related government programs*
- d. *Invest in non-traditional demand development,*
- e. *Improve collaboration.*

3.2 British Columbia

The tree fruit industry in British Columbia includes apples, pears, cherries, peaches, nectarines, apricots, and plums that combined cover 17,665 acres. These acres are concentrated primarily in the Okanagan Valley but also include the Fraser Valley and Vancouver Island (AGF, n.d.). In BC, apples are responsible for the bulk of the acreage at 12,600 acres and the average farm gate value at \$42,000,000 of \$58,757,000 (AGF, n.d.). The industry has experienced economic challenges as traditional varieties become less popular. In response to this trend many growers have planted new varieties that have brought significant financial returns but are now under threat due to increasing market competition (BCFGA, 2007a). Packinghouses are predominantly cooperatives with a small number of private packinghouses that focus on soft fruit (AGF, n.d.). The cooperatives collectively handle approximately 75% of the apples produced and range in size from 150 growers to 500 growers (AGF, n.d.).

In 2007 the BC Tree Fruit Industry Strategy was launched at the Growers' Association convention (BCFGA, 2010). The Industry Strategy's vision was "The tree fruit industry in BC is widely recognized as a vibrant, economically healthy and sustainable industry that enjoys a strong market position based on products that are clearly differentiated and of consistently high quality." (BCFGA, 2007a:1) The primary focus was on industry growth and sustainability through five pillars and goals. The themes of these pillars or goals were industry structure, quality of products, markets, human resources in the industry, and development of new varieties (BCFGA, 2010). In order to achieve these goals, 31 actions were identified and assigned to a specific group or organization along with a timeline or target dates of completion (BFGA, 2007a). The final

component of this strategy was the signing of the Tree Fruit Industry Accord by the key stakeholders including growers associations, packers' cooperatives, and related boards to demonstrate an agreement to "...continue to build on positive results and a common vision for the BC tree fruit industry." (BCFGA, 2007b:5)

The Strategy specifically names the municipality as a player on the sustainability team, particularly with regard to the human resource pillar. The action plan lists working "with municipalities regarding related housing bylaws to encourage less restrictive farm worker housing bylaws," and names municipal regulations as contributing to labour shortage issues.

In addition, the Strategy specifies the regulatory environment as causing a negative impact on the industry.

Regulations are often more geared toward public concerns with the practices of the industry rather than with its health and profitability. There is some sense that government regulations are often vague, contradictory, and overly burdensome. Compliance with unnecessary regulations can be a major contributor to costs that significantly reduce margins. Producers especially are often dealing with three levels of government each with its own set of regulations. Also, the regulations are often designed for large operations and compliance by small-scale operations is untenable. Other competing jurisdictions are usually not encumbered with such regulations (BCFGA, 2007).

A study of British Columbia's fruit industry reveals major differences in their approach that might be helpful for consideration. Figure 4 provides a visual representation of the BC growers' cooperative structure. The growers own two separate organizations, the Okanagan Tree Fruit Cooperative, and the BC Fruit Growers' Association.

According to the BC Tree Fruits website, the tree fruit industry, of which apples comprise approximately 80 %, represents more than 800 growers. Because of challenges associated with marketing and transportation, Okanagan growers and shippers have been working cooperatively since 1936, when they formed BC Tree Fruits Ltd., a central marketing agency. In 1957, there were 36 cooperative societies, 20 independent shippers, and 5 grower-shippers marketing their fruit through BC Tree Fruits Ltd. Substantial amalgamation throughout the chain has resulted in an industry that today consists of only the Okanagan Tree

Fruit Cooperative. It is entirely owned by the Okanagan growers. BC Tree Fruits is a wholly owned subsidiary of this cooperative.

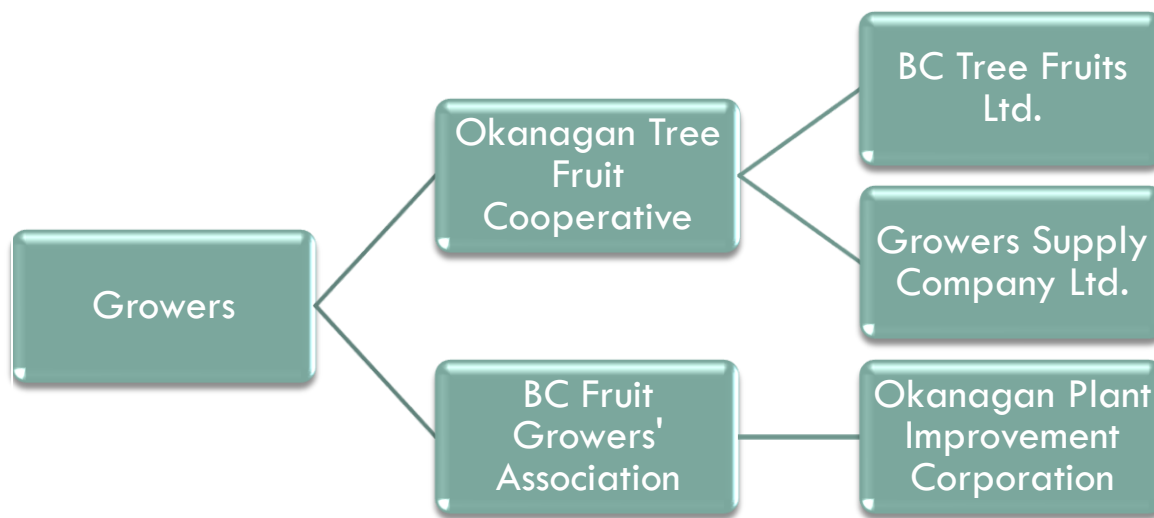
The ability to market fruit under a single brand, BC Tree Fruits, provides the growers with a marketing tool to help them compete against lower-priced fruit imported from Washington State. Because of the change in value of the Canadian currency relative to the U.S., products from the U.S. are now offered in Canada at a lower price than in the past. The centralized branding of this fruit allows the growers to use a variety of marketing strategies including specialty packaging, newspaper and radio advertising and a website (www.bctree.com/press-events/article/00117).

B.C. growers, like those in Ontario, have also faced dramatic increases in costs of production. Their cooperative also works together to help growers achieve the best prices and advantages of scale on the input side. Another subsidiary, Growers' Supply Company Ltd., is a commercial wholesale division of the OTFC. The Growers' Supply Company sources products that growers and packers need, provides education through workshops, is a source for weather data, and also helps growers comply with legislation.

The BC Fruit Growers' Association (BCFGA) represents the growers' interests through activities that include lobbying the federal and provincial governments, providing education and other services. One arm of this association is the Okanagan Plant Improvement Corporation (PICO). According to the PICO website (www.Picocorp.com), it is a "variety rights management company that licenses new varieties of tree fruits and berries domestically and internationally. PICO has exclusive evaluation, distribution, propagation, and commercialization rights from the Minister of Agriculture and Agri-Food Canada (AAFC)." PICO's mission statement reads as follows:

PICO commercializes fruit varieties, both domestically and internationally, by managing intellectual property rights and supporting product development and testing with a focus on improving the competitiveness of Canada's tree fruit and berry growers (www.Picocorp.com).

FIGURE 4 BC Growers' Cooperative Structure



In the Okanagan Valley, regions and municipalities have developed agriculture or food plans to ensure the long-term sustainability of agriculture and to increase food security in their area. The North Okanagan Regional Food System Plan and the Township of Spallumcheen Agricultural Area Plan are two examples of plans that were created through consultation with agricultural producers, the general public, and municipal staff. Both plans identify specific goals and actions that the municipality can take on to achieve the goals.

Spallumcheen Agricultural Area Plan (summary)

Goal	Action	Region
Support Productivity	Creating a farm labour pool to address farm help shortages and examine labour issues including housing standards	North Okanagan Regional Food System Plan
Create Potential to Expand Grower's Land and/or Opportunities for New Farmers	Create database of land available for rent or purchase	Township of Spallumcheen Agricultural Area Plan
Encourage New Farmers	Develop training programs, resources database, credit and other forms of assistance for beginning farmers and youth interested in farming and food processing related careers	North Okanagan Regional Food System Plan; Township of Spallumcheen Agricultural Area Plan
Protect Agricultural Land	Explore and support community and alternative agriculture opportunities such as land trusts and cooperatives	North Okanagan Regional Food System Plan; Township of Spallumcheen Agricultural Area Plan
Remove Distribution Barriers	Create a centralized warehouse distribution system including storage to extend farmers' seasons	North Okanagan Regional Food System Plan
Remove Distribution Barriers	Identify barriers and gaps in infrastructure that prevent growers from marketing their crops and value-added products locally.	North Okanagan Regional Food System Plan
Support Processing Facilities in Industrial Land Use Planning	Include agricultural processing facilities in land use planning and policy	North Okanagan Regional Food System Plan
Expand Local Markets	Encourage all local businesses to purchase, promote, and support locally grown food	North Okanagan Regional Food System Plan; Township of Spallumcheen Agricultural Area Plan
Increase Advertising/Awareness	Assist local farmers to promote products online; create better farm gate signage	North Okanagan Regional Food System Plan; Township of Spallumcheen Agricultural Area Plan
Create a voice for farmers	Create a Farmers Council that includes all commodities to help implement agricultural related changes and provide feedback to municipality on key issues	Township of Spallumcheen Agricultural Area Plan
Improve Efficiency of Regulation Costs	Streamline licensing and regulations processes including long-term leases to eliminate excess costs	North Okanagan Regional Food System Plan; Township of Spallumcheen Agricultural Area Plan
Educate Youth	Create partnerships with local schools to educate youth about importance of local food	Township of Spallumcheen Agricultural Area Plan
Local Branding	Create a local brand for products	Township of Spallumcheen Agricultural Area Plan
Educate Rural Population	Educate rural landowners of the importance of good land use practice on their properties to reduce impact on neighbouring agricultural land	Township of Spallumcheen Agricultural Area Plan

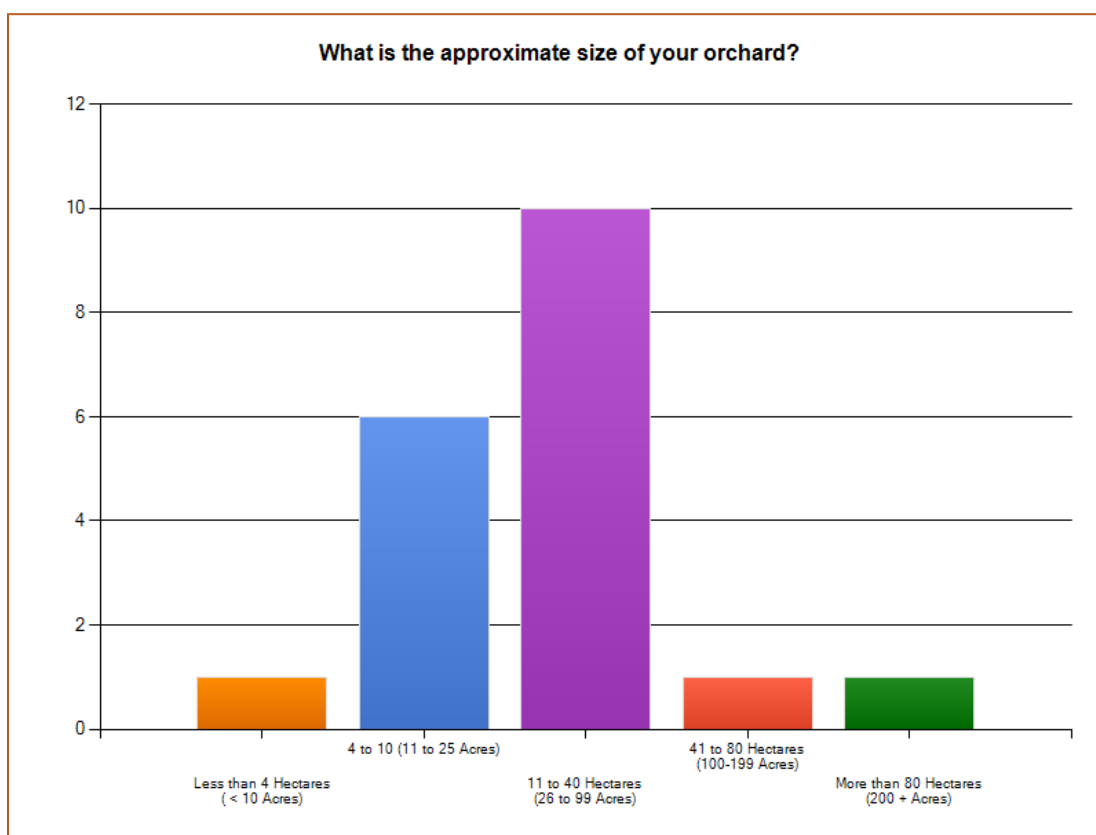
4 SURVEY OBSERVATIONS

4.1 General Results

The survey identified the following results pertaining to the current state of the apple industry in Grey County.

- More than half of respondents (10) identified their orchard as being approximately 11 to 40 hectares in size. As well, 6 respondents selected the 4 to 10 hectares choice.

FIGURE 5



- Respondents identified a wide range of apple varieties being grown in Grey County. The three most frequently identified varieties were McIntosh (19 respondents), Empire (16 respondents), and Northern Spy (16 respondents).

TABLE 3

Which apple varieties do you produce? (Please check all that apply)

	Respondents	Percent
McIntosh	19	100.0%
Empire	16	84.2%
Northern Spy	16	84.2%
Cortland	11	57.9%
Gala	11	57.9%
Honey Crisp	11	57.9%
Idared	10	52.6%
Spartan	10	52.6%
Red Delicious	7	36.8%
Crispin (or Mutsu)	5	26.3%
Paulared	5	26.3%
Jonagold	4	21.1%
Ambrosia	3	15.8%
Ginger Gold	3	15.8%
Golden Delicious	3	15.8%
Golden Russett	3	15.8%
Jerseymac	3	15.8%
Earligold	2	10.5%
Jonamac	1	5.3%
Macoun	1	5.3%
Quinte	1	5.3%
Shizuka	1	5.3%
St. Lawrence	1	5.3%
Wealthy	1	5.3%
Total respondents	19	
Skipped	4	

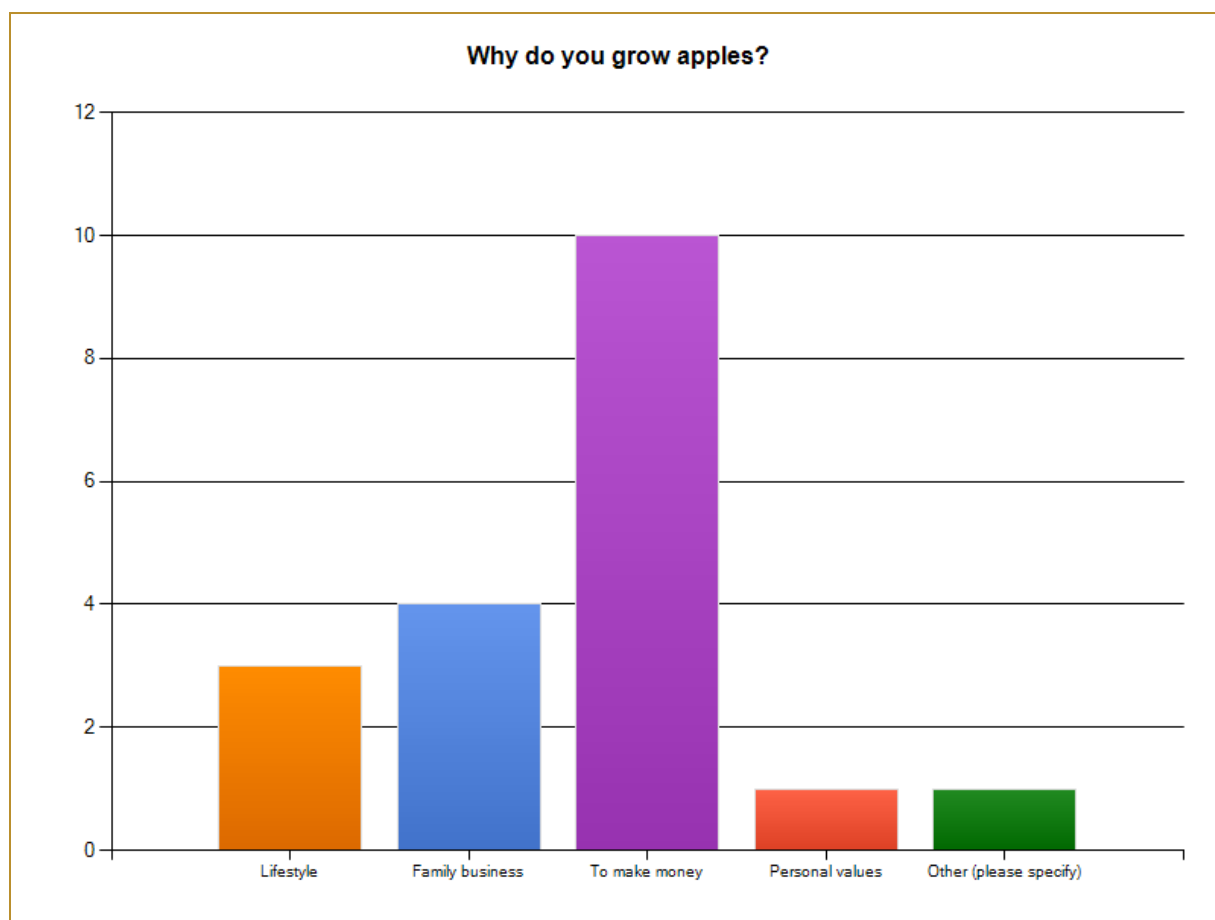
4.1.1 Purpose for Growing

The survey indicated that most respondents made their livelihood from growing apples. Most frequently respondents indicated that they operated their farm as a full time business, that they were not occupied off farm, and that their rationale for growing apples was to make money. This further solidifies that,

at least based upon survey responses, apple growing in Grey County is undertaken primarily as a business as opposed to growing as a hobby or for a supplemental income. The following points indicate additional details in the survey's findings.

- Most respondents (15) identified that their farm operated as a full-time business while 4 respondents stated that it was a part-time business.
- The majority of respondents stated that they were not employed off their farm (11) while 4 respondents stated that they did work full-time and another 4 respondents identified that they worked part-time off the farm.
- When asked why they grew apples the majority of respondents identified that it was to make money (10). The next most frequent rationale was due to family business (4 respondents) and then lifestyle at 3 respondents.

FIGURE 6



4.1.2 Advertising

The survey indicated that many of the respondents did not participate in advertising. Many do not advertise likely because they do not market directly to the public (i.e. growing for juice apples). The most frequently selected mode of advertising was found to be advertisements in the local paper.

- When asked of the types of advertising they participate in the top three most common responses were: none, I don't advertise (8 respondents), advertisements in the local paper (5 respondents); local food maps (4 respondents).

TABLE 4

What types of advertising do you participate in? (Please check all that apply)

	Respondents	Percent
None, I don't advertise	8	42.1%
Advertisements in the local paper	5	26.3%
Local Food Maps	4	21.1%
Signs or Billboards	3	15.8%
On my own Website	3	15.8%
Local tourism, lifestyle or other Magazines and Newspapers	2	10.5%
Provincial and National Activities	1	5.3%
Sponsorships	1	5.3%
Sign at gate	1	5.3%
Ontario Apple Growers Assoc	1	5.3%
Through social media (i.e. Facebook, Twitter)	0	0.0%
Total respondents	19	
Skipped	4	

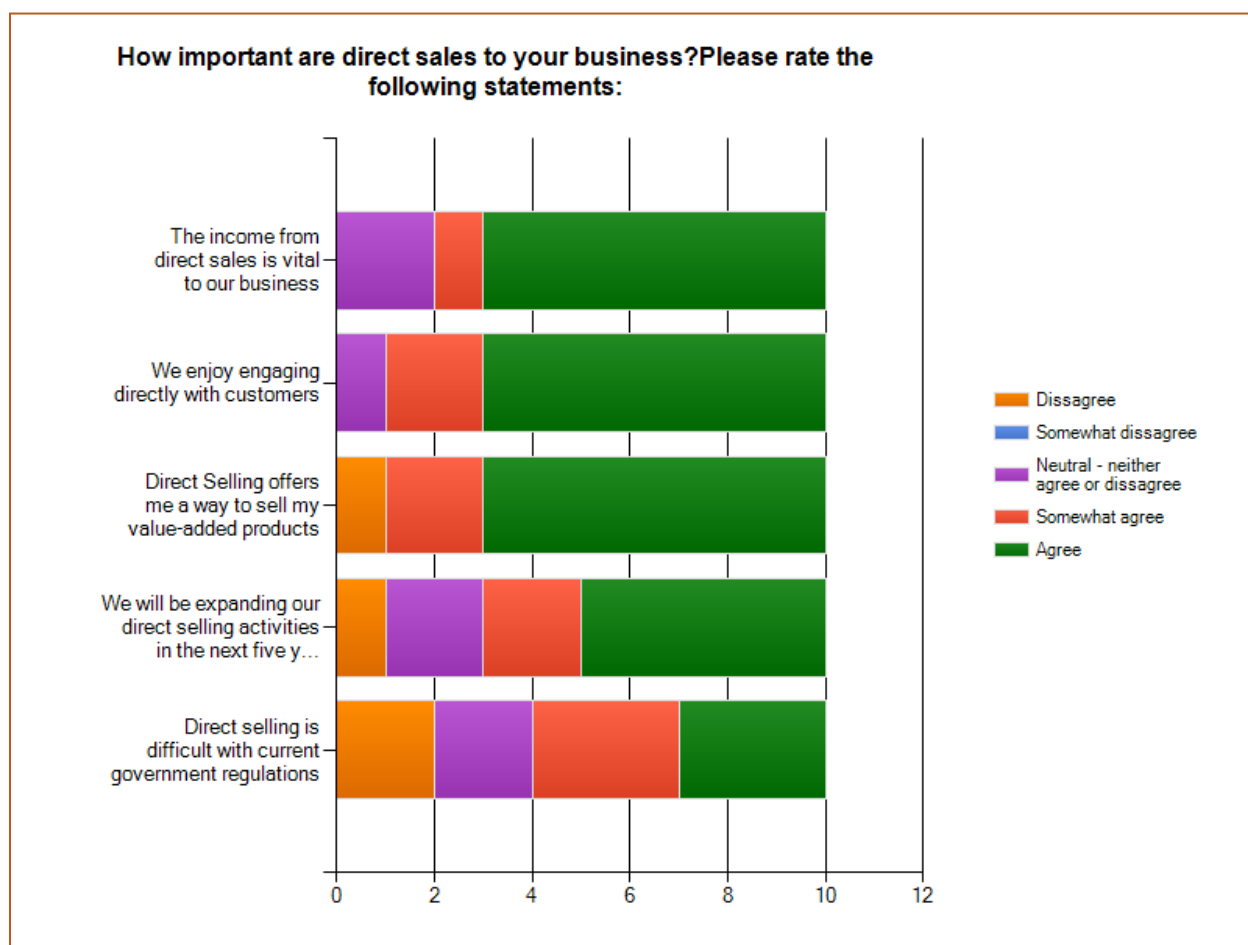
4.1.3 Direct Sales

Based upon survey results it was found that approximately half of the respondents engaged in direct selling of their apples and that this process was vital to their business.

- Of the survey respondents, 11 respondents identified that they did currently engage in direct selling of their apples and/or apple products while the other 9 stated that they did not.

- Furthermore, of those that did engage in direct selling it was identified that 8 engaged in farm gate sales; 3 in farm retail stores; and only 1 in a local farmers' market.
- When asked to rate the importance of direct sales to their business, respondents identified the following in descending level of agreement:
 - The income from direct sales is vital to their business
 - Respondents enjoy engaging directly with customers
 - Direct selling offers a way to sell value-added products
 - The respondent will be expanding direct selling activities in the next 5 years
 - Direct selling is difficult with current government regulations

FIGURE 7



4.1.4 Future Plans

Survey respondents were asked a few questions regarding the future plans for their operation. It was found that the majority of respondents to these questions had participated in the Orchard and Vineyard Transition Program (OVTP). As well, several respondents indicated that within the next 5 years they expected to expand their operations. However, it was also found that a significant number of respondents expected to reduce the size of their operation or retire within the next 5 years.

In terms of succession planning it was found that only half of the respondents had a plan. Further, the identified plans that did exist may be problematic; for instance, in some cases an expectation of selling one's orchard for development may not be able to occur due to specialty/prime agricultural land use restrictions. As well, when compared to other survey and interview findings the expectation that orchards will be sold for continued apple production may be difficult due to barriers to obtaining loans as well as the limited profitability of the industry.

The following points provide additional details on the future plans of survey respondents.

- Of the respondents it was indicated that 8 had participated in the Orchard and Vineyard Transition Program (OVTP) to pull out trees in 2010 while 3 had not.
- Those participating in the OVTP program were then asked whether they have, or will be replanting apple trees with the following responses:
 - Yes, dwarf trees (2 respondents)
 - Yes, new varieties (2 respondents)
 - No (2 respondents)
- Of those indicating they did participate in OVTP program but you are not replanting the following reasons were provided:
 - I downsized my orchard lands (1 respondent)
 - Other – “want to replant but cannot afford to (no profitability right now)”
- Survey respondents were asked to describe their current succession/retirement plan. It was indicated that 6 respondents intended to sell the operation as an orchard, 3 intended to sell the operation for development (i.e. residential), and 9 respondents had no plan.

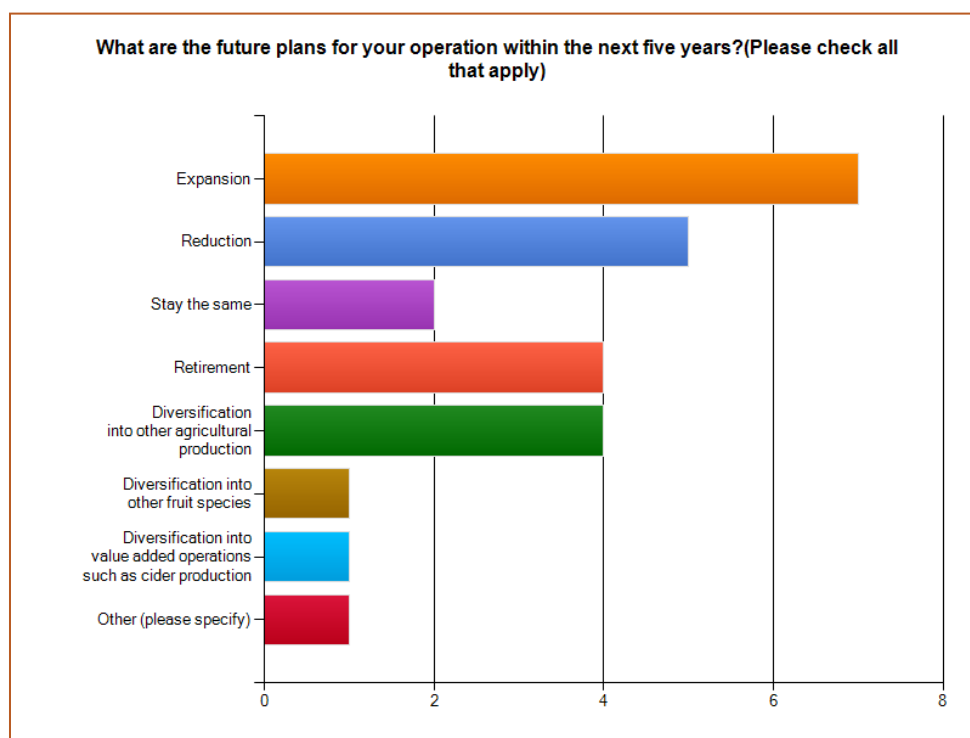
- When asked about the future plans for their operation within the next five years respondents had several responses. The two most frequently selected options were expansion (7 responses) and reduction (5 responses). The remainder of the responses are presented in Table 5.

TABLE 5

What are the future plans for your operation within the next five years? (Please check all that apply)

	Respondents	Percent
Expansion	7	36.8%
Reduction	5	26.3%
Retirement	4	21.1%
Diversification into other agricultural production	4	21.1%
Stay the same	2	10.5%
Diversification into other fruit species	1	5.3%
Diversification into value added operations such as cider production	1	5.3%
Other	1	5.3%
Total respondents	19	
Skipped	4	

FIGURE 8



4.2 Issues

Survey respondents were asked a variety of questions pertaining to the issues faced by the apple industry in Grey County. The following sub-sections provide description and context for these findings.

4.2.1 Obstacles and Barriers

Respondents to the survey indicated several barriers to their profitability as well as obstacles for new producers entering the industry. It was found that the primary obstacles to profitability were largely outside the control of local government, with the possible exception of marketing, and would need to be addressed at the provincial or even federal levels of government. As well, the primary obstacle for new entrants to the industry was found to be profitability thereby indicating interconnectedness within the issues faced by the industry.

TABLE 6

Some activities are barriers to Apple Industry profitability. Please rate the following as possible barriers to your profitability

	Not Important	Somewhat Important	Neutral – neither not important or important	Important	N/A	Rating Average	Response Count
Increasing energy costs	0	1	0	11	0	3.83	12
High minimum wage	1	0	1	10	0	3.67	12
Costs of fertilizer/pesticides	0	2	0	9	1	3.64	12
International competition	0	2	0	8	1	3.60	11
Marketing	1	1	0	10	0	3.58	12
Government Regulations	0	3	1	8	0	3.42	12
Climate change	1	3	4	4	0	2.92	12
Natural pests – birds, mice, rabbits, deer etc.	1	5	1	5	0	2.83	12
Borrowing ability	3	2	2	5	0	2.75	12
Number of processors	3	3	1	5	0	2.67	12
Price of Land	3	2	4	3	0	2.58	12
Shortage of labour	4	1	3	4	0	2.58	12
Availability of new varieties	4	2	0	5	0	2.55	11
Total respondents							12
Skipped							11

- Respondents were asked about the main barriers to the profitability of their operation. The five main obstacles (based upon rating average) were identified as:

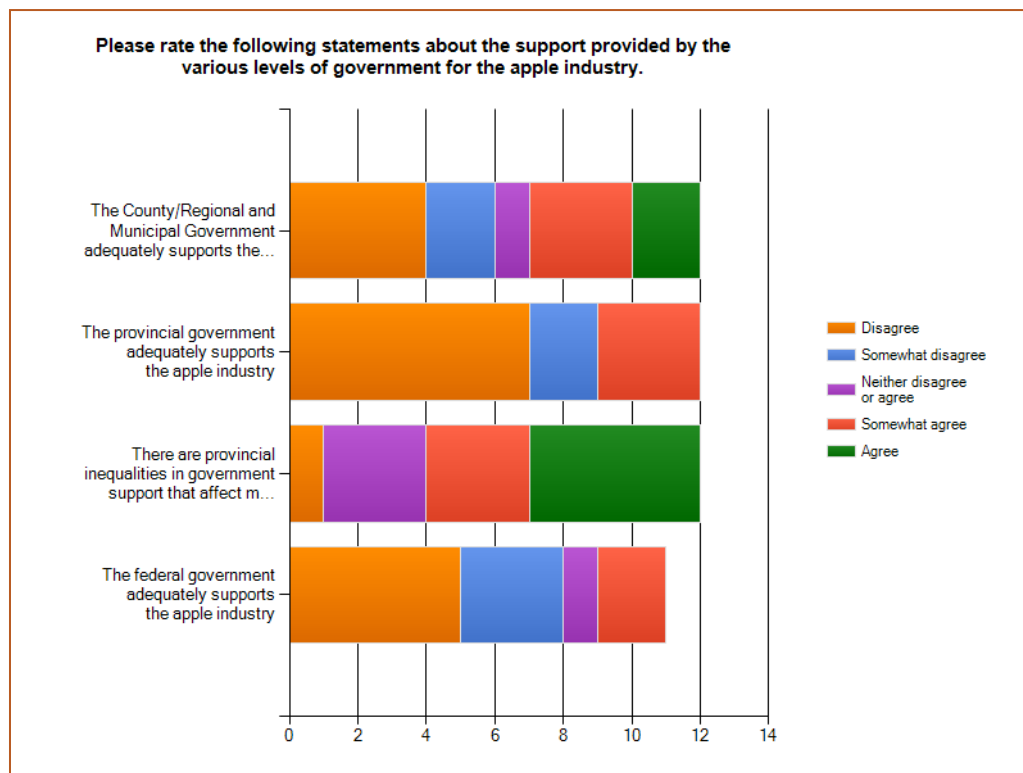
- Increasing energy costs
 - High minimum wage
 - Costs of fertilizer/pesticides
 - International competition
 - Marketing
- Survey respondents identified two obstacles to new producers entering the industry. These were: profitability (7 respondents) and costs associated with establishing an orchard (4 respondents).

4.2.2 Government Support

Survey respondents were asked one question on government support for the apple industry. It was found that respondents felt that there was inadequate support from each level of government.

- Survey respondents were asked to state their agreement with 4 questions relating to government support for the apple industry. Based upon rating average, the provincial level was found to provide the least support, followed by the federal level, and then the County/Municipal Government. As well, there was agreement on the existence of provincial inequalities in government support.

FIGURE 9



4.2.3 Land Use

Of those responding to the survey it was found that most agreed that small acreages have no effect on the apple industry or were even beneficial. Respondents also indicated that the main competition for apple growing acreage was other agriculture and residential uses. Nevertheless, it was found that most respondents did not experience conflict with neighbours over farm practices.

- When asked about the size of orchard parcels it was indicated that most respondents believed that smaller acreages have no effect on the apple industry (7 respondents) while 4 respondents selected that smaller acreages are beneficial to the industry. No respondents indicated that smaller acreages harm growers' ability to produce apples.
- In reference to whether respondents experience conflict with neighbours over your farm practices most (8 respondents) indicated they did not. Of the 3 that indicated that they did experience conflict the following explanations were provided:
 - "nuisance by-law complaints, trespassing, crop theft"
 - "neighbours don't understand organic production"
 - "lack of understanding by urban people about farming practices"
- When asked about the main land uses that compete for apple growing acreage the following responses were selected:
 - Other agriculture (4 respondents)
 - Residential development (3 respondents)
 - Recreational property (3 respondents)

4.2.4 Additional Comments

Additional comments from the survey relating to issues include:

- "Anyone waiting to be paid to plant orchard should not be growing apples and will only harm the industry."
- "Our input costs are some of the highest in North America and many other countries in the world."
- "Someone must do more to reduce our costs and regulations, or put tariffs on those who have lower costs and regulations."
- "expenses for producing the fruit have risen substantially but price paid to grower per lb has not"
- "Succession to son/daughter may not occur due to profitability factor. For new growers to buy orchard land, equipment, etc., financing would need to be available and banks need to see a profit margin."

4.3 Options

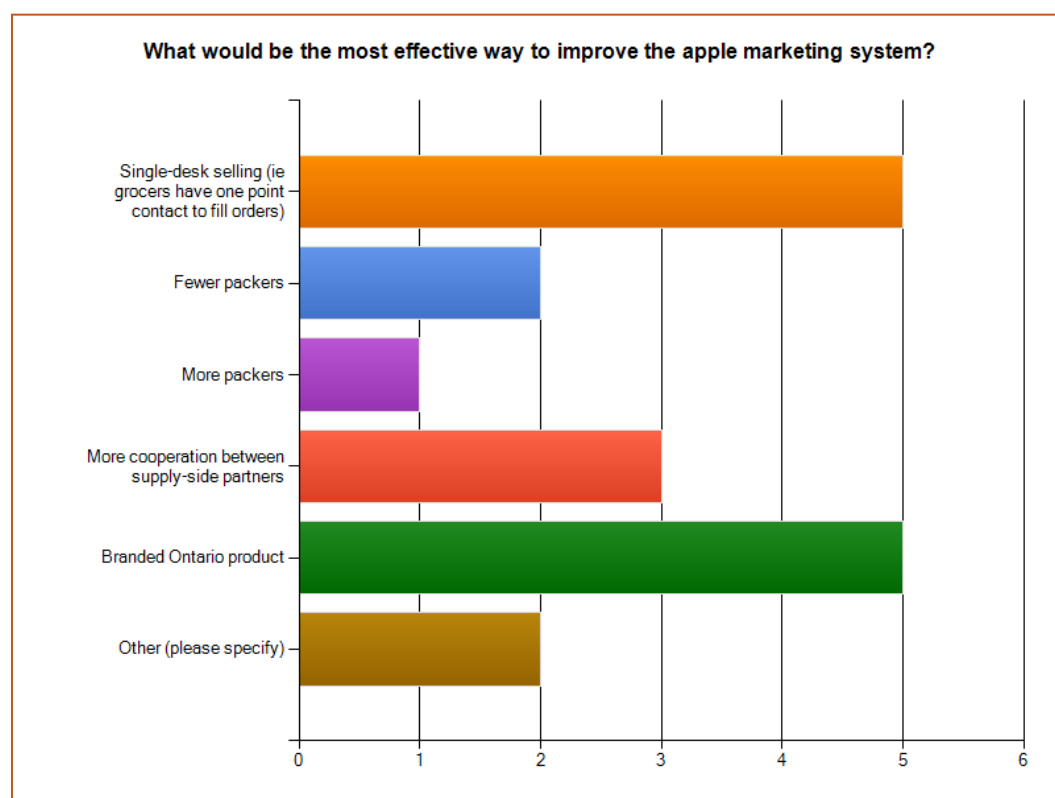
During the survey respondents were asked several questions relating to options available for addressing the issues faced by the apple industry in Grey County.

4.3.1 Marketing and Profitability

When reviewing the results on two questions relating to options for improving the apple marketing system and options for improving profitability some overlap became apparent. For instance, improved marketing campaigns and a branded Ontario product was found to be a common response in both questions. The full list of responses follows and provides additional insight into the options favoured by respondents.

- Survey respondents identified two key methods to improve the apple marketing system. These were: single-desk selling (i.e. grocers have one point contact to fill orders) and a branded Ontario product which were each identified as the most effective method by 5 respondents respectively.

FIGURE 10



- In addition to the options provided in the survey one respondent specified ‘better prices’ in the other category and another included ‘all direct sales’.
- Survey respondents were asked to identify what they believed would be most beneficial for the profitability of their operation. The top 5 most frequently identified options were:
 - Strengthened marketing campaigns (i.e. buy local) – 10 respondents
 - Reduced government regulations – 8 respondents
 - Government safety nets/income stabilization programs – 7 respondents
 - Increased innovation in the industry (i.e. increased density, varieties, etc.) – 6 respondents
 - Government financial support for replanting trees – 6 respondents

TABLE 7

*Which of the following do you believe would be most beneficial for the profitability of your operation?
(Please check all the apply)*

	Respondents	Percent
Strengthened marketing campaigns (i.e. buy local)	10	83.3%
Reduced government regulations	8	66.7%
Government safety nets/income stabilization programs	7	58.3%
Increased innovation in the industry (i.e. increased density, varieties etc.)	6	50.0%
Government financial support for replanting trees	6	50.0%
Availability of new Varieties	5	41.7%
More effective marketing coordination	5	41.7%
Supply management	4	33.3%
Price floors	4	33.3%
More opportunity for value-added production (i.e. cider)	3	25.0%
Ability to expand	3	25.0%
Educational opportunities	2	16.7%
Other (More Ontario apples on store shelves)	1	8.3%
Farmer cooperatives	0	0.0%
Total respondents	12	
Skipped	11	

4.3.2 Government Support

The most common responses relating to government support for the apple industry indicated that

survey respondents felt that government should help provide support for replanting orchards and that specialty crop land should not be protected.

- The majority of respondents indicated that they believed there should be government support to replant orchards with 8 indicating agreement and 4 indicating there should not be support.
- The majority of respondents indicated that they did not believe that specialty crop areas for apple-growing should be protected with 7 indicating *no* protection and 4 indicating *yes* for protection.
 - Of the 4 *yes* respondents it was indicated that the most effective means to protect specialty crop areas for apple-growing would be provincial regulations (2 respondents) followed by municipal zoning (1 respondent) and increased profitability (1 respondent).

4.3.3 Additional Comments

Additional comments from the survey relating to options for the industry include:

- “Orchards must be rejuvenated to plant higher density[1000 trees per acre approx] to grow less juice and higher quality fruit and efficiency & newer varieties.”
- “Should be able to have 10-15 acre blocks of orchards similarly to the Okanagan Valley, BC.”
- “A reduction in the use of fungicides, pesticides and herbicides to improve soil quality. Education of organic practices would be a vital component of this.”
- “Better labelling laws, a juice blend should have country of origin(s) clearly and boldly labelled.”
- “Ontario apple growers need to be able to compete with other apple producing areas and need the shelf space at retail level to do so. We need to be growing the apple varieties that consumers/retailer wish with high quality standards that we see from other apple areas. This means replacing some older varieties with new and keeping quality standards high (and enforced).”
- “A marketing strategy for Ontario apples to maximize returns to growers and eliminate price competition between suppliers.”
- “Profit margins have to be available for future generations to be viable in the industry. Profits are built in to the rest of the food chain and need to be here also.”

4.4 Discussion

Upon analyzing the key informant interviews and the survey results, it is clear that a number of sustainability issues are beyond the scope of local government to address. The following provides a summary of the issues identified and the level of government that currently, or could potentially, address these issues.

What the community told us:

Municipal Jurisdiction	Provincial Jurisdiction	Federal Jurisdiction	No Legislation
Lot size	Provincial competition issues	International competition issues	Marketing, supply chain issues.
Marketing campaign – buy local (possibly in conjunction with tourism initiatives)	Input costs - labour	Input costs – regulation of pesticides	Ability to access capital to replant
Local by-laws affecting land use and building codes (especially affecting workers' housing)	Provincially branded product (formerly "Orchard crisp")	Government safety nets/income stabilization programs	Increasing energy costs
	Commitment to research and development of new varieties, improved production techniques	Commitment to research and development of new varieties, improved production techniques	
Barriers to entry and exit	Barriers to entry and exit	Barriers to entry and exit	
	Marketing campaign – buy local (possibly in conjunction with tourism initiatives)	Federal support for replant program	
	Government safety nets/income stabilization programs	Improved labelling laws (country of origin)	

5 LOOKING FORWARD

5.1 Principles – Reflections from ourselves, the community and the literature

The development of principles in this report is intended to highlight areas of agreement that can be used as starting points for finding common ground in an increasingly complex world. Using principles can help guide municipalities and the county now and in the future as they consider land use planning with respect to the local residents, as well as the broader community. These principles were developed as a result of reflecting on what the community told us, as well as from examining the literature and information from other sectors.

Principle 1: Maintaining a secure, sustainable source of food is vital for the health of Grey County. Facing an unknown future of dealing with climate change and less available sources of energy make it more important to protect our natural food systems. This is supported by federal, provincial, and local policies.

Principle 2: Promoting supply-chain systems that enhance agricultural sustainability is important. Through interviews and a review of the industry strategic plan for Ontario, it was revealed that one of the biggest challenges for sustainability of the Ontario industry is inefficiencies throughout the supply-chain. This is one area where the provincial government could play a role in improving the overall sustainability by facilitating cooperation throughout the chain.

Principle 3: Continued protection of the local agricultural resource and the farm community is desirable. Protecting farm land and the farmers who use it is vital to maintaining food security and sovereignty for all Canadians, now and in the future.

Principle 4: Communication between growers, local government, and consumers is good. Interviews and the industry's strategic plan revealed that apple growers need to have a better understanding of their consumers. Fostering effective communication between these two interconnected groups can strengthen the understanding of where food comes from, all the care that is taken to keep it safe, and pass vital information back to growers about what consumers value.

Principle 5: Standards are in place to protect Canadians. There is value in the safety nets provided by a regulated system that provides Canadians with minimum wage, adequate testing and evaluation of chemicals, and land use planning.

Principle 6: Farmers need to be adequately compensated for their product. The value provided by Canadian farmers should be recognized by compensating growers fairly and understanding there is a difference in the value of imported goods.

Principle 7: Adaptability is vital for sustainability. Change is constant. Building food systems that are adaptable helps provide resiliency for both the agricultural industry and the communities that rely on it. Climate change, rising energy costs, increasing demands for land, and other unforeseen changes must be anticipated by allowing policies to adjust accordingly.

Principle 8: Educational Opportunities help keep people on the same page. Providing opportunities to learn better ways of producing food enhances resiliency and helps food systems adapt to change.

Principle 9: Sound land use planning helps society share a limited resource. Considering that productive land is one of the most important resources we have, good stewardship promoted by sound land use planning can protect this valuable resource now and for the future.

Principle 10: Cooperation between levels of government makes better decisions. While the province has an overall vision with regard to land use, local counties and municipalities still have some discretion over the best ways to determine land use.

Principle 11: Effective communication between groups provides a better understanding and opportunities for collaboration. Groups who may not have collaborated in the past are increasingly working together as society recognizes our interconnectedness. Healthy food systems include producers, consumers, environment, communities, and policies.

Principle 12: Supporting different production models builds diversity. Different production models fill different niches in the food system. Supporting a variety of models helps ensure food security for the future.

5.2 Future Direction

The following section provides examples of options that Grey County, the Municipality of Meaford and the Town of the Blue Mountains may wish to consider to support the Apple Industry. These options were based on the information we received through our Key Informant Interviews, the survey and secondary research.

Options were divided these into three categories:

1. Low Hanging Fruit

- *these are ideas which may be easiest to reach with the largest benefit*

2. Land Use Planning Policy Options

- *both County and Lower-Tier Municipal Official Plans and Zoning By-laws*

3. Economic Development

- *Strategies, plans, policies and funding on the regional and local levels*

None of the options explored here will alone be effective in helping sustain or revitalize an industry which has issues at the global, national, and provincial level, however each offers ways that the county might further support the industry at the level they are able. We recognized the complexity of the issues of agriculture is not likely to be reversed in a meaningful way at the local level. In addition, options for

developing other crops or agricultural activities is beyond the scope of this document since these are usually pursued by those directly involved in agriculture – if a new crop is a profitable option for the Grey County area, it will likely be tried and tested by the farmer.

Farmers have been very successful at understanding what kinds of agriculture will be possible in a specific area. It is not likely that options specifically explored in Niagara Region, for example, will be necessarily be successful here. We feel that exploring options for new products – both primary and value-added is the responsibility of producers but the County has the ability to support these activities and therefore the options we explored were related to the specific expertise of the County.

5.2.1 Low Hanging Fruit

1. Buy Local Campaigns can extend into County Activities

- Grey County and Regional Institutions could develop “buy local” policies
 - Nursing Homes
 - Schools
 - Hospitals

Rationale: At one time, buying local was a necessity because storage and travel were not an option for fresh fruit. While this will not impact the industry on a large scale, it lays the groundwork to reverse the erosion of the apple industry and shows that the county is willing to support the industry where possible. It may open up opportunities for other institutions to follow suit.

2. Municipalities could provide greater support for grower markets (i.e. farmers’ markets)

- Could be through subsidies such as providing further financial or forgiveness assistance, but also through network support, marketing, and tourism coordination

Rationale: Farmers’ markets offer growers from all types of agriculture a way to market and sell their products directly to their customers, building relationships and getting the best return for their work. However, farmers’ markets are sometimes expensive and time consuming for producers. Assisting grower markets to flourish is beneficial for both the industry and tourism of the community and region.

3. Co-ordinate Strategic and Comprehensive Plans

- Economic Development and Strategic Plans should be compatible with county and lower-tier municipal official plans.
- Economic Development activities and networks should be compatible with other strategic plans (ex. the Fifteen Year Strategic Plan for the Apple, Tender Fruit and Fresh Grape Industry, 2010)

Rationale: Often economic development occurs in isolation to sound planning. Economic development and planning are integrally linked but the policies and plans are not always compatible at the regional level. Linking priorities through the economic and official plans may help the plans go further towards their goals. Networking within communities and the region may be an essential part of sound economic development practice in rural areas since there is often strength in numbers. A lot of work has been done at the industry level that local government may not be aware of and therefore are not able to support these strategies with local plans and policies.

5.2.2 Land Use Planning Policy Options

Grey County, Meaford and Blue Mountains Official Plans make protecting and maintaining agriculture a priority in these communities. Land use planning practices have the potential to have positive or negative effects on agriculture. Current policies in Ontario favour agriculture as directed through the Provincial Policy Statement. It may be possible to develop specific policies to protect and promote the apple industry in Grey County.

Land use policy areas which may be explored further and serve to protect, promote or sustain agriculture fall into three different categories:

- 1. Use of Buffer Zones**
- 2. Secondary Use Policies**
- 3. Specialty Crop designation and definitions**

The following sections outline these categories which may be explored further by policy makers.

LIMITATIONS OF LAND USE PLANNING

We recognize that land use planning can only enable or restrict activities which occur in a geographic area, but they cannot ensure that the activities it allows *will* occur. Specialty crop designations for example may provide certain protection for the agricultural lands, but the smaller parcel size may also make it easier to purchase for non-agricultural uses as well, such as for an estate or retirement property. The policy cannot ensure the land produces a specialty crop. Similarly, secondary use policies may permit an activity, such as apple cider processing, however it will not make that activity happen.

BUFFER ZONES

The designated specialty Crop areas in Grey County are in very close proximity to the urban communities of Meaford, Thornbury, and Clarksburg as well as the Niagara Escarpment Plan. This has the potential to create conflict between land uses. It has been long understood that agricultural activities and residential development may have incompatibilities for the following reasons:

From Agriculture:

- Overspray from Fertilizers and pesticides
- Regular harvesting and pruning activities which use mechanical equipment
- Noise or odours deemed “nuisance”
- Burning of waste materials

From Residential:

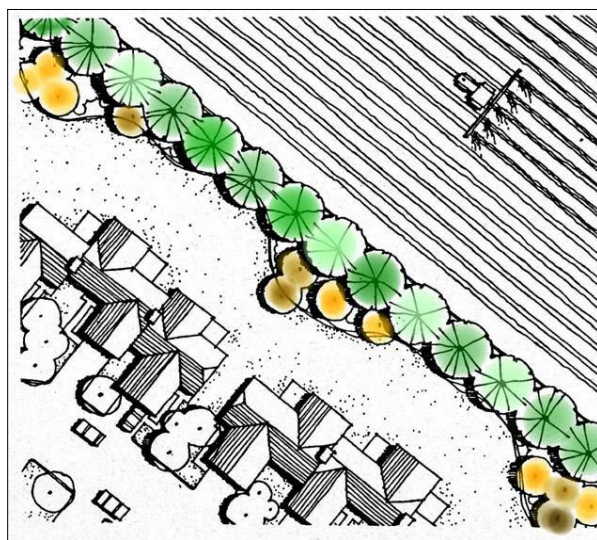
- Trespassing by people and pets
- Theft
- Traffic

In order to protect agricultural activities one option may be a consideration to develop policies which include buffer zones between agriculture and development activities. The purpose of the buffer is to minimize the impact of activities which may be regarded as “nuisance,” which are part of normal farm practices as well as providing a real or perceived barrier which serves to divide and mark property lines. Planning along the rural-urban transition is also known as *Edge Planning*.

Buffers are often used to separate land uses which have compatibility issues, such as:

- industrial and residential
- transitions in density, such as medium density residential and low density residential
- Commercial, residential or agricultural and water courses

In land use planning, agriculture has often been regarded as somewhat compatible with residential and in some instances, agricultural areas are treated as open space. However, providing buffer areas to minimize impact between agriculture and residential, recreational, commercial and other land uses.



Source: British Columbia Ministry of Agriculture and Lands, 2009

Ideally, the onus for installation of buffers could be given to the developer. It is possible to make buffers a requirement of site plans or development permits of applications located next to agriculture which is considered prime - *specialty crop and class 1-3 soils*. Examples of required buffers between agriculture and other development are found in Australia, California and British Columbia. The British Columbia Ministry of Agriculture and Lands has produced a set of guidelines for edge planning (see Appendix III for a list of resources). The Edge Planning document is a toolkit for how, when, and where to develop buffers for maximum benefit. The Town of the Blue Mountains Economic Development Document *Red Hot and Blue* includes buffers as an action under their goal to “Maintain and enhance prosperous and sustainable agriculture” in 6.2.

Key Option: Explore the possibility for Buffer areas for certain agricultural areas as part of Official Plans

SECONDARY USE POLICIES

Secondary Uses to agriculture are intended to be compatible activities, adjunct to the main use, which is agriculture. However, many farms rely on home industries to support them financially

The Provincial Policy Statement, 2005 defines secondary uses as:

...uses secondary to the principal use of the property, including but not limited to, home occupations, home industries, and uses that produce value-added agricultural products from the farm operation on the property.

Secondary Uses seen in this region can fall into three overlapping main categories:

1. *Farm related business*
 - farm gate sales, value added production, retail store
2. *Home Occupation or Industry*
 - light industrial, such as machine shop
3. *Agri-tourism*
 - petting Zoos, bed and breakfasts, retail store

The County of Grey and the two lower-tier municipalities could explore the current definitions of secondary uses by considering other official plans in agricultural communities. Diversification of agriculture, secondary support of agriculture and increased agri-tourism may be desirable; however, many activities which have been proposed in other communities may or may not be suitable for Grey County.

For example, the Niagara Region has very significant specialty crop areas, development pressures and several jurisdictional plans (Niagara Escarpment Plan, Green Belt Plan etc.). In response, the upper and lower-tier official plans have specific and expanded definitions for secondary uses and winery-specific accessory activities.

Key Options: Compare current policies with other agri-tourism and secondary use policies in other jurisdictions and look for areas to expand current policies

SPECIALTY CROP DESIGNATION AND DEFINITIONS

Specialty Crop areas are afforded the highest protection in the Provincial Policy Statement. Special Crop areas in Grey were chosen because they include micro climates suitable for specific crops but they may encompass a variety of soil types. The micro climates identified in the region have been shown to be ideal for growing apples.

In Grey County, Specialty Crop parcels generally have a minimum size of 10 hectares. This size was considered relevant to the apple industry's specific crop densities and specific farm activities for this industry.

QUESTIONS TO CONSIDER	POSSIBLE ACTIONS
<i>Do the specialty crop areas reflect the types of activities actually occurring in the area?</i>	<ul style="list-style-type: none"> ▪ Survey activities in specialty crop areas ▪ Categorise other uses ▪ Mitigate impact of incompatible uses
<i>Does the specialty crop parcel size minimum of 10ha reflect what is suitable for growing apples by new standard densities?</i>	<ul style="list-style-type: none"> ▪ Planners could work with growers, and the province to understand current innovation in the industry with densities ▪ Compare with other apple growing regions
<i>Is there more protection needed to ensure that specialty crop areas are not removed from production due to real estate pressures (i.e. estate lots)</i>	<ul style="list-style-type: none"> ▪ Survey of actual use ▪ Analyse losses of specialty crop to residential
<i>How many undeveloped lots occur in specialty crop and prime agriculture areas? What are the effects of development on these lots?</i>	<ul style="list-style-type: none"> ▪ Calculate undeveloped lots ▪ Consider potential conflicts of development ▪ Mitigate impact

5.2.3 Economic Development

Economic development strategies and activities occur at the national, provincial, regional, and local levels. Many of these levels work in isolation from one another and there is jurisdictional overlap. Local and

regional economic development is where most activity takes place with local economic development

practitioners in:

- Tourism organizations such as Regional 7, Georgian Triangle Tourist Association
- chambers of commerce
- lower tier municipal staff
- county staff
- regional economic development associations
- provincial ministry offices in the local community
- business enterprise centres

Many of these actors produce strategies with one or more partners; however there is opportunity to coordinate even further. In looking at some of the economic development strategy documents, we noticed while agriculture is mentioned, it is not always clear what activities are planned or occurring in the region. In addition, there is very little focus on the apple industry in economic development strategies.

Something else to explore is how to get key actors to the table to discuss how to best support or regenerate the industry and to develop a set of key questions. For example:

- What products and processing are most useful in this area?
- What are the barriers to value-added, direct sales or complementary activities?
- What are the tools, funds, resources available to help farmers expand and develop their businesses
- How can tourism and agriculture become more closely compatible and interrelated?
- Are there ways that agriculture might diversify like has been done on other regions?

Key Options:

- **Hold a local consortium, set of workshops or other round table discussion to get economic developers, farmers, local officials and tourism partners together to discuss the issues and opportunities in this area.**
- **Develop a funding database specifically for agri-business (ex. OMAFRA Rural Economic Development, Community Futures, etc.)**
- **Consider the development of an overall Special Agricultural Community Improvement Plan to find a common direction with options for funding improvement projects**

Appendix I. TERMS OF REFERENCE



ONTARIO AGRICULTURAL COLLEGE
School of Environmental Design and Rural Development
Capacity Development and Extension • Landscape Architecture • Rural Planning and Development

Terms of Reference

Grey County Apple Industry Study

THE ISSUE

The apple growing industry in Grey County is in economic decline. This situation can be attributed to several parallel obstacles, such as: aging operators, high costs of replanting, competition with international sources, and changing market demands.

As a result, Grey County requires options for addressing this issue. The options may be further divided into two streams. First, the County requires options for revitalizing and increasing the long term viability of this economically important sector. Second, the County requires options for supporting those growers that elect to transition out of the apple industry as well as potential uses for the specialized agriculture land designation.

GOALS AND OBJECTIVES

These Terms of Reference outline the collaborative relationship between a study group of graduate students from the class RPD*6280 (Advanced Planning Practice) at the University of Guelph and the County of Grey. It is understood that the graduate class will work collectively with the County of Grey, the Municipality of Meaford and the Town of the Blue Mountains during the months of February, March and April 2011, in order to achieve the following goals:

1. Provide a set of recommendations to inform policy making at the municipal, county and provincial levels which may be used to promote vitality of the Apple Industry
2. Meet the educational objectives of the graduate class

DELIVERABLES

In order to meet the above goals, the following deliverables are required:

1. A finished report which includes the following:
 - A 'snapshot' of the current status of the apple industry including existing, and emerging, issues faced by the industry
 - Existing strengths/opportunities already present in the region.
 - A collection of policy options/recommendations sub-divided by County, Municipal, and Provincial with consideration of varying responsibilities and authorities.
2. A presentation of findings to the community as appropriate, such as to council or other public forum.
(to be determined)

METHODOLOGY

The study group will engage in a variety of methods to achieve the goals of the project:

- Key informant interviews with municipal staff, local growers and processors, community organizations, and provincial representatives
- Questionnaire distributed to apple growers in Grey County
- Secondary Research including:
 - Case studies and best practices of jurisdictions facing similar obstacles in agriculture
 - Baseline and historical background data on the apple industry in Ontario and Globally

GUIDING PRINCIPLES

Based on the described methodology, this project is guided by the following principles:

- This project will be undertaken in an open and transparent process, reflecting a shared vision of community economic and social vitality
- This project will endeavour to maintain the integrity of the communities and their knowledge and experiences

ROLES AND RESPONSIBILITIES

University of Guelph Students:

- To engage in community level and secondary research
- To produce a final report
- To present the report findings to the communities

County of Grey:

- Support the research by assisting with technical resources, *such as*: GIS data, aerial photography, official and strategic plans or other documents and resources
- Provide communication support with the lower tier municipalities of Meaford and Town of the Blue Mountains, as well as apple growers, processors and other relevant contacts
- Provide general project guidance from time to time

TIMELINE

Distribution of Questionnaire: *February 2011*

Presentation to the Communities (Council): *April 2011*

Submission of Final Report: *April 2011*

APPENDIX II. APPLE INDUSTRY SURVEY QUESTIONS

The apple industry in the Province of Ontario is experiencing decline. The purpose of this survey is to better understand the situation faced by those involved in the apple industry. As well, it is expected that obstacles faced by the industry will be identified and potential solutions can be found to support this important industry into the future. The study behind this survey is being undertaken by graduate students in Rural Planning and Development at the University of Guelph, in co-operation with the County of Grey, Municipality of Meaford and Town of the Blue Mountains.

We appreciate your participation in this survey. Individual responses will be kept confidential.
For more information about this survey please contact Dr. Wayne Caldwell at: waynecaldwell@hurontel.on.ca

GENERAL QUESTIONS

1. How would you describe the primary function of your operation?

- ☐ Grower
- ☐ Processor
- ☐ Distributor
- ☐ Other (please specify)

GROWER INFORMATION

1. What is the approximate size of your orchard?

- | | |
|---|--|
| <input type="checkbox"/> Less than 4 Hectares (< 10 Acres) | <input type="checkbox"/> 41 to 80 Hectares (100-199 Acres) |
| <input type="checkbox"/> 4 to 10 (11 to 25 Acres) | <input type="checkbox"/> More than 80 Hectares (200 + Acres) |
| <input type="checkbox"/> 11 to 40 Hectares (26 to 99 Acres) | <input type="checkbox"/> Other _____ |

2. Which apple varieties do you produce?(Please check all that apply)

- | | |
|---|--|
| <input type="checkbox"/> McIntosh | <input type="checkbox"/> Northern Spy |
| <input type="checkbox"/> Red Delicious | <input type="checkbox"/> Jerseymac |
| <input type="checkbox"/> Empire | <input type="checkbox"/> Quinte |
| <input type="checkbox"/> Idared | <input type="checkbox"/> Paulared |
| <input type="checkbox"/> Crispin (or Mutsu) | <input type="checkbox"/> Golden Russett |
| <input type="checkbox"/> Golden Delicious | <input type="checkbox"/> Jonagold |
| <input type="checkbox"/> Spartan | <input type="checkbox"/> Honey Crisp |
| <input type="checkbox"/> Cortland | <input type="checkbox"/> Gala |
| | <input type="checkbox"/> Other (please specify)_____ |

3. Which of the following best expresses your farm's current status?

- ☐ My farm operates as full-time business
- ☐ My farm operates as a part-time business
- ☐ Other _____

4. Which of the following options best describes your employment situation?

- ☐ I work part-time off farm
- ☐ I work full-time off farm
- ☐ I do not work off the farm
- ☐ Other _____

5. Why do you grow apples?

- ☐ Lifestyle
- ☐ Family business
- ☐ To make money
- ☐ Personal values
- ☐ Other (please specify) _____

MARKETING**6. What types of advertising do you participate in? (Please check all that apply)**

- | | |
|--|---|
| <input type="checkbox"/> None, I don't advertise | <input type="checkbox"/> Advertisements on other Websites |
| <input type="checkbox"/> Advertisements in the local paper | <input type="checkbox"/> Local tourism, lifestyle or other Magazines and Newspapers |
| <input type="checkbox"/> Signs or Billboards | <input type="checkbox"/> Local Food Maps |
| <input type="checkbox"/> On my own Website | <input type="checkbox"/> Other (please specify) _____ |
| <input type="checkbox"/> Through social media (i.e. Facebook, Twitter) | |

7. What would be the most effective way to improve the apple marketing system?

- ☐ Single-desk selling (ie grocers have one point contact to fill orders)
- ☐ Fewer packers
- ☐ More packers
- ☐ More cooperation between supply-side partners
- ☐ Branded Ontario product
- ☐ Other (please specify) _____

DIRECT SELLING**8. Do you currently engage in direct selling of your Apples and/or Apple products?**

- ☐ No
- ☐ Yes
- ☐ Other _____

9. What types of direct sales for your apples and/or apple products do you engage in?(Please check all that apply)

- ☐ Farm Gate Sales
- ☐ Farm Retail Store
- ☐ Local Farmers' Market
- ☐ Farmers' Market where I travel some distance (i.e. next town, city or GTA)
- ☐ Community Festivals or Events
- ☐ Other (please specify) _____

10. How important are direct sales to your business?

Please rate the following statements:

	Disagree	Somewhat disagree	Neutral - neither agree or disagree	Somewhat agree	Agree
The income from direct sales is vital to our business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We enjoy engaging directly with customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Direct Selling offers me a way to sell my value-added products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We will be expanding our direct selling activities in the next five years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Direct selling is difficult with current government regulations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

POSSIBLE BARRIERS

11. Some activities are barriers to Apple Industry profitability. Please rate the following as possible barriers to your profitability:

	Not Important	Somewhat Important	Neutral – neither not important or important	Important	N/A
High minimum wage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Costs of fertilizer/pesticides	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International competition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Government Regulations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Price of Land	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability of new varieties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Number of processors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shortage of labour	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Borrowing ability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Natural pests – birds, mice, rabbits, deer etc	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increasing energy costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Climate change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

12. Which of the following do you believe would be most beneficial for the profitability of your operation? (Please check all the apply)

- | | |
|--|---|
| <input type="checkbox"/> Strengthened marketing campaigns (i.e. buy local) | <input type="checkbox"/> Supply management |
| <input type="checkbox"/> More opportunity for value-added production (i.e. cider) | <input type="checkbox"/> Farmer cooperatives |
| <input type="checkbox"/> Ability to expand | <input type="checkbox"/> Educational opportunities |
| <input type="checkbox"/> Increased innovation in the industry (i.e. increased density, varieties etc.) | <input type="checkbox"/> Government safety nets/income stabilization programs |
| <input type="checkbox"/> Government financial support for replanting trees | <input type="checkbox"/> More effective marketing coordination |
| <input type="checkbox"/> Reduced government regulations | <input type="checkbox"/> Price floors |
| <input type="checkbox"/> Availability of new Varieties | <input type="checkbox"/> Other (please specify) _____ |

13. What is the largest barrier to new producers entering the industry?

- ☐ Price of land
- ☐ Profitability
- ☐ Costs associated with establishing an orchard
- ☐ Availability of land
- ☐ Lifestyle expectations
- ☐ Other (please specify) _____

GOVERNMENT SUPPORT AND REGULATIONS**14. Please rate the following statements about the support provided by the various levels of government for the apple industry.**

	Disagree	Somewhat disagree	Neutral - neither agree or disagree	Somewhat agree	Agree
The County/Regional and Municipal Government adequately supports the apple industry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The provincial government adequately supports the apple industry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
There are provincial inequalities in government support that affect my competitiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The federal government adequately supports the apple industry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

15. Do you think there should be government support to replant orchards?

- ☐ Yes
- ☐ No

LAND USE PLANNING**16. Do you think that specialty crop areas for apple-growing should be protected?**

- ☐ Yes
- ☐ No

17. If you indicated yes above, what is the most effective way to protect specialty crop areas for apple-growing?

- ☐ Land trusts
- ☐ Municipal zoning
- ☐ Provincial regulations
- ☐ Other (please specify) _____

18. Please choose one of the following options about the size of orchard parcels.

- ☐ Smaller acreages are beneficial to industry
- ☐ Smaller acreages harm growers' ability to produce apples
- ☐ Smaller acreages have no effect on the apple industry

19. Do you experience conflict with neighbours over your farm practices?

- ☐ Yes
- ☐ No

20. If you indicated yes above, please explain:

21. What are the main land uses that compete for apple growing acreage?

- ☐ Residential development
- ☐ Recreational property
- ☐ Other agriculture
- ☐ Industrial development
- ☐ Other (please specify) _____

22. Did you participate in the Orchard and Vineyard Transition Program (OVTP) to pull out trees in 2010?

- ☐ Yes
- ☐ No

23. If you answered yes to the above question, did you or will you be replanting apple trees?

- ☐ Yes, dwarf trees
- ☐ Yes, new varieties
- ☐ No
- ☐ Other (please specify) _____

24. If you indicated that you did participate in tree removal but you are not replanting, please provided your reasons below:

- ☐ I am retiring
- ☐ I am getting out of the apple industry but not retiring
- ☐ I downsized my orchard lands
- ☐ Other (please specify) _____

PLANNING YOUR BUSINESS

25. How would you describe your current succession/retirement plan?

- ☐ No plan
- ☐ Pass on to children or other family
- ☐ Sell the operation as an orchard
- ☐ Sell the operation for development (i.e. residential)
- ☐ Other (please specify) _____

**26. What are the future plans for your operation within the next five years?
(Please check all that apply)**

- ☐ Expansion
- ☐ Reduction
- ☐ Stay the same
- ☐ Retirement
- ☐ Diversification into other agricultural production
- ☐ Diversification into other fruit species
- ☐ Diversification into value added operations such as cider production
- ☐ Other (please specify) _____

27. If you would like to leave further comments please use the box below.

28. If you would like to be contacted to receive a copy of the study report, please leave your email below.

Appendix III. EDGE PLANNING RESOURCES

British Columbia Ministry of Agriculture and Lands (2006) *Edge Planning Areas: Promoting Compatibility along Urban-Agricultural Edges, Background Paper*.

http://www.agf.gov.bc.ca/resmgmt/sf/publications/823100-1_EPA_background_paper.pdf

This document serves as a backgrounder for creating policy for edge planning in the urban-rural transition areas. In addition for a rationale for planning edge areas, this document provides useful information about the nature of conflict between rural and urban uses and what uses are most compatible with agriculture. It also defines what the different types of buffers are and where the different types work best.

British Columbia Ministry of Agriculture and Lands (2009) *Guide to Edge Planning: Promoting Compatibility along Urban-Agricultural Edges*. http://www.agf.gov.bc.ca/resmgmt/sf/publications/823100-2_Guide_to_Edge_Planning.pdf

This guide is a practical toolkit for edge planning at the urban-rural transition. It provides practical examples of the different types of buffers and the technical information on apply buffers to development. In this guide there are diagrams and maps of edge planning and types of buffers as well as formulas for to assist with the design.

McGinnis, G. (2009). *Urban-Rural Edge Area Nuisance Mitigation Strategies in Kings County, Nova Scotia*. Dalhousie University

http://architectureandplanning.dal.ca/planning/research/moptheses/downloads/PLAN6000-2009/GM-Independent_Project.pdf

This document is actually a graduate planning student's project which looks at specific strategies which may be used for King's County in reducing conflict between agriculture and urban areas. It contains some useful background information as well as the benefits and limitations of buffers and explores options which are different from the BC policy direction for edge planning. This document looks more in-depth into the issues which may affect the usefulness, compatibility and cost-effectiveness of buffers and is worth exploring as it provides a different context to consider.

Placer County California (1994). *Land Use Buffer Zone Standards (Part 3 of the Comprehensive Plan)*.

http://www.placer.ca.gov/Departments/CommunityDevelopment/Planning/CommPlans/~/_media/cdr/Planning/CommPlans/PCGP/PCGPPart3.ashx

This document is Part 3 of Placer County's Comprehensive Plan. Part 3 provides the guidelines for providing buffers in all zones where required in the county, including agricultural areas. The usefulness of this document is the level of detail afforded to planning buffer zones and the County specific approach. The entire plan may be found at:

<http://www.placer.ca.gov/Departments/CommunityDevelopment/Planning/CommPlans/PCGP.aspx>

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