



MINISTRY OF AGRICULTURE, FOOD AND RURAL AFFAIRS

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Ministry Overview

Mandate

Ontario's Ministry of Agriculture, Food and Rural Affairs (OMAFRA) strives to:

- Support the province's agri-food sector;
- Enforce and improve food safety; and
- Strengthen Ontario's rural communities.

OMAFRA's specific priorities include:

- Supporting the growth of Ontario's agri-food sector;
- Providing business support to farmers;
- Ensuring sustainability of agriculture;
- Expanding agriculture in the North; and
- Fostering vibrant rural economies.

Through its actions, the ministry supports rural communities and the agri-food sector, which helps to build a high quality of life for all Ontario residents. By working together, we can create a stronger economy in Ontario.

Ministry Contribution to Priority Outcomes

The government's top priority is creating jobs and growth. OMAFRA contributes strongly to this priority through supporting the growth of the agri-food sector. This is achieved in several ways including: supporting the Premier's Agri-Food Challenge, which calls on the province's agri-food industry to double the growth rate of the province's agri-food industry and create 120,000 jobs by 2020; reporting on new initiatives which reflect the recommendations made by the Agri-Food Growth Steering Committee; and working with stakeholders and industry partners to better understand how to better promote locally grown or processed world foods to help all Ontarians *Bring Home the World*.

Since the Premier's Agri-Food Challenge was issued, Ontario's agri-food industry has responded with significant investment and growth. More than 42,000 jobs have been created and \$2.2 billion in Gross Domestic Product (GDP) was added to the economy, and the sector is well on the way to meeting the

challenge. In total, the agri-food sector adds \$36.4 billion GDP to the province's economy and supports almost 800,000 jobs. In 2016, agri-food exports rose to \$14.8 billion, up five per cent from the previous year.

Equally important for Ontario's economic success is the work the ministry does in providing support to producers, processors, and organizations and collaborations through *Growing Forward 2* (GF2), the policy framework for Canada's agri-food and agri-based bioproducts sector. The ministry represents Ontario at the Federal/Provincial/Territorial table to develop the Next Policy Framework (NPF), working in the best interest of its stakeholders and citizens.

The ministry is also creating new economic opportunities for Ontario's agri-food industry by providing targeted investments across the agri-food value chain and undertaking minister-led trade missions to increase export opportunities and emphasize the importance of two-way trade. The ministry also maintains its support of the supply management system to help maintain a stable, quality supply of products for Ontario's food processors and consumers.

To ensure sustainable growth of Ontario's agri-food sector, OMAFRA is working with farmers and food processors to bolster their environmental stewardship. Through the federal-provincial Great Lakes Agricultural Stewardship Initiative (GLASI), funding is provided to the agriculture sector for adoption of beneficial agri-environmental practices, improved measuring of progress, demonstration projects and other supporting activities. The ministry also encourages the preservation of the productive capacity of agricultural land, working with stakeholders to develop the Agricultural Soil Health and Conservation Strategy, which is supported under the Climate Change Action Plan.

The ministry continues lead the development of a Northern Ontario Agriculture, Aquaculture and Food Processing Sector Strategy to promote jobs and growth in Northern Ontario and working to advance the Northern Livestock Pilot initiative (formerly referred to as the Livestock in the Great Clay Belt proposal), in partnership with the Ministry of Northern Development and Mines, Ministry of Natural Resources and Forestry, Ministry of Indigenous Relations and Reconciliation, Ministry of the Environment and Climate Change, as well as with Indigenous, municipal and industry partners.

Finally, OMAFRA continues to foster vibrant rural economies by using tools, resources/plans, research and studies, partnerships with all levels of government and through rural infrastructure programs, community and regional support programs, the Rural Economic Development Program, its biannual Rural Ontario Summits and by working with partner ministries to continue to increase job opportunities and economic growth across Ontario.

Ministry Programs

Strong Agriculture, Food and Bio-Product Sectors and Strong Rural Communities

Rural Ontario is home to about 2.7 million people, approximately 19 per cent of Ontario's population. In addition to agricultural businesses, rural Ontario is home to diverse industries, including trade (wholesale & retail), health care and social assistance, and manufacturing. The ministry offers resources under the headings of Economic Development, Research, Business Risk Management Transfers and Agriculture and Rural Affairs Capital.

Economic Development

The ministry provides strategic agri-food business development programs and funding that support good jobs and attracts investment. The ministry works with the entire value chain – primary producers, agriculture service providers, researchers, processors and retailers. Staff provide knowledge, expertise and production recommendations to address challenges and also lead to growth and expansion across the sectors. OMAFRA provides a range of local and regional economic development programs and resources, including Business Retention and Expansion, First Impressions Community Exchange, Downtown Revitalization, Community Immigrant Retention in Rural Ontario, Newcomers and Youth Indicators, Regional Economic Analysis Resources, Performance Measurement Resources, and Regional Advisory Services. The funding programs offered by the ministry include the Horse Racing Industry Development Program, the Wine and Grape Strategy, Foodland Ontario, and the Food and Beverage Growth Fund. These programs support vibrant rural communities and assist the industry in working towards meeting the Premier's Agri-Food Growth Challenge to double the sector's growth rate and create 120,000 jobs by 2020.

The ministry's Rural Economic Development (RED) program has helped rural communities remove barriers to community development and promote economic growth to support sustainable rural economies and regions. This will help them develop the capacity, the tools and the flexibility they need to become stronger, more prosperous communities.

RED was renewed this year to focus on community economic development. The province launched a renewed community-focused RED program, which helps communities remove barriers to economic development to better position themselves to attract investment, create jobs, and enhance economic growth. The first round of Ontario's renewed RED program started accepting applications on January 30, 2017, with the intake closing on March 31, 2017. The province will begin accepting applications for the next intake of the RED program on July 31, 2017 to September 29, 2017. Future intake dates will be available on the RED program website as they are determined.

Recent examples include:

- Teach for Canada received \$69,970.76 through the RED program to launch teacher recruitment, selection and placement programs in northern Ontario. Teach for Canada, in collaboration with seven Indigenous communities in rural and northern Ontario, recruited and retained qualified teachers for Ontario's northern and Indigenous communities. In September 2015, the first group of 31 teachers were placed in schools in northern Ontario to help students and teachers succeed in remote and Indigenous schools.
- The Orillia Area Community Development Corporation received \$53,168.98 through the RED program to enhance offerings of their Professional Development program. The program enhancements included the addition of online learning workshops, improving the event calendar and online registration, and the introduction of a mentorship program. The Professional Development program has experienced a 57 per cent increase in mentorship program participation, the number of business coaching support sessions doubled, and more than 729 attendees participated in 33 new online workshops. As a result of the funding, 113 jobs have been retained, four full-time jobs and one part-time job were created.

The Horse Racing Partnership Plan (HRPP) provides the horse racing industry with the tools to develop new sources of revenue and to build business relationships that will support a sustainable industry in Ontario. OMAFRA's Horse Racing Industry Development Program, continued under the HRPP, provides support for a Racehorse Welfare Component to ensure the welfare of racehorses and a Horse Improvement Program to support the breeding of high quality Ontario racehorses.

The Wine and Grape Strategy helps to support local wineries and grape growers, increase the competitiveness of the industry and promote VQA wines and rural tourism in wine country, thereby creating jobs and economic growth across the province. The Small Cider and Small Distillery Support Program provides similar support for craft cider and spirit makers.

Programs such as Foodland Ontario help to increase awareness of and celebration of local food, and develop consumer propensity to buy Ontario food first. The ministry supports the use of the Foodland Ontario logo on Ontario fresh and processed food products. It communicates the benefits of Ontario food, encourages the purchase of Ontario food, co-ordinates promotion and research activities with producer organizations and industry stakeholders, and promotes the Foodland Ontario brand.

In partnership with the Greenbelt Fund, the province has allocated \$3.8 million through the Local Food Investment Fund to 77 projects to further local food literacy, access to local food, and local food purchases by broader public sector organizations. These investments help to increase the availability of Ontario-grown-and-made food to be purchased and enjoyed across the province.

The Food and Beverage Growth Fund – which is part of the province's ten-year, \$2.7 billion Jobs and Prosperity Fund - supports food and beverage processing and bio-product manufacturing projects that will help create and retain jobs, strengthen supply chains, increase market access, and enhance innovation and productivity.

Ontario's agriculture and food sector is an important economic engine and contributes to our high quality of life by providing good jobs and safe food. *Growing Forward 2* (GF2) is a comprehensive federal-provincial-territorial framework aimed at encouraging innovation, competitiveness and market development in Canada's agri-food and agri-products sector. In Ontario, GF2, which runs until March 31, 2018, offers resources, tools and cost-share funding assistance to eligible producers, processors, organizations and collaborations to grow their profits, expand markets and manage shared risks. GF2 has an estimated total value of \$1.5 billion over five years, including \$417 million for Strategic Initiatives and approximately \$1.1 billion in Business Risk Management assistance. GF2 is part of our government's efforts to grow Ontario's agri-food sector by strengthening the connection between food producers, processors and consumers.

Research

The ministry works in partnership with industry, academia and federal and provincial governments and agencies to advance and deliver research and innovation as a critical element in promoting growth of the agriculture and food sectors. Each year, OMAFRA invests approximately \$75 million in research to support growth in the agricultural sector. Agri-food research helps strengthen Ontario's competitive edge and leads to new products, as well as contributes to safe food, a healthy environment and strong communities.

The ministry's agreement with the University of Guelph is an essential component of research in Ontario's agri-food and bio-products sector. Through the 2008-2018 partnership agreement, the ministry supports research, veterinary clinical education, laboratory services in animal health and agriculture and food, Highly Qualified Personnel (HQP) and Knowledge Translation and Transfer (KTT). This long-term investment has provided access to specialized expertise and facilities to address government, ministry, and industry priorities.

Given the agreement expires on March 31, 2018, the ministry is working with the University to ensure a new agreement continues to serve the public interest, reflects government, industry and university priorities, and maximizes the return on Ontario's investment in the agriculture, food processing, and bio-product sectors, and rural Ontario.

OMAFRA also invests in open research programs. These programs are competitive programs open to public and private research organizations through annual calls for proposals, drawing from a wide-range of institutions to address key priorities and emerging issues.

These programs have funded numerous projects to address a wide range of issues including food safety, climate change, soil health, water management, bioproducts development, precision agriculture, and pollinator health.

OMAFRA's New Directions Research Program helped bring quinoa to Ontario's market. In 2013, Value Chain Management International and Katan Kitchens began developing a value chain for quinoa in Ontario. The project supported the expansion to 500 acres of quinoa growing in Southwestern and Northern Ontario for high-quality, nutrient-rich production in 2016. Quinoa's commercial viability and expansion in Ontario are expected to result in new health and food products, with further value chain collaborations and economic opportunities for Ontario.

Open research calls are active on Honey Bee Health and Northern Livestock in support of priority initiatives such as Pollinator Health Action Plan and the Northern Livestock Pilot.

The ministry works with industry and other partners to focus research priorities, co-invest in research projects and infrastructure, and to encourage uptake through knowledge mobilization and technology transfer activities.

OMAFRA is moving forward on implementing a strategy that will modernize its research and innovation programs, services and infrastructure, to intensify focus on consumer, market and economic outcomes in partnership with governments, industry and academia. Through these partnerships, collaborations and strategically targeted investments, the government is able to leverage knowledge, technology and intellectual capacity, to extend its reach and build a sector that is aligned with government and industry priorities.

Business Risk Management Transfers

Through its Business Risk Management (BRM) programming, the ministry helps Ontario's agricultural producers manage risks beyond their control, including weather and market volatility. It also includes other assistance to support initiatives that improve sector profitability. OMAFRA offers a variety of programs, primarily delivered through its crown agency, Agricorp.

Programs include federal/provincial programs under the GF2 agreement (AgriInvest, AgriStability, AgriInsurance (Production Insurance), AgriRisk and AgriRecovery), and the provincial-only Risk Management Program (RMP) which includes the Self-Directed Risk Management Program (SDRM) for edible horticulture.

Agriculture and Rural Affairs Capital

Working with federal, provincial and municipal governments, OMAFRA administers several municipal capital programs on behalf of the Ministry of Infrastructure (MOI), with a particular emphasis on communities with populations of less than 100,000. These programs allow communities to build on projects that deliver on local needs, support revitalization and repair of critical infrastructure and help to create jobs in construction and related industries. OMAFRA also works closely with the Ministry of Infrastructure on the development of infrastructure programs such as the Natural Gas Grant Program that support economic development in rural Ontario.

The ministry's research is supported by the infrastructure platforms of its agency, the Agricultural Research Institute of Ontario (ARIO), and includes research stations, labs and related agricultural infrastructure. These facilities provide the capacity for research on a wide variety of agri-food issues and support industry-driven research while leveraging third party investments.

Better Public Health and Environment

OMAFRA provides oversight of the agri-food system in Ontario and has responsibility for emergencies related to farm animal disease and welfare, food contamination, and agricultural plant disease and pest infestation.

The ministry is committed to ensuring food safety and healthy food animals. OMAFRA works closely with the sector to ensure compliance with legislated requirements for a wide variety of food products produced and processed in Ontario (meat, dairy, foods of plant origin, fish, and eggs).

OMAFRA supports the Ontario government's efforts to improve regulations to better support businesses in Ontario. Through Ontario's Red Tape Challenge for the Food Processing Sector, the ministry is responding to 20 areas identified by the public where regulatory burden could be reduced while still protecting environmental, health and worker safety standards.

OMAFRA is dedicated to enhancing food safety and animal health and welfare through education and outreach, advisory services, surveillance, compliance action, and emergency management. The ministry continues its ongoing work to become a more modern regulator. OMAFRA staff work closely with food production and processing sectors to set clear expectations and outcomes in meeting food safety and animal welfare regulatory requirements. Education and awareness is the primary compliance tool when working with the industry, but stronger progressive compliance action to address significant food safety or animal welfare risks can be taken when needed.

OMAFRA's risk and outcome-based programs protect and advance public health, animal health, animal welfare, and food safety which ultimately support economic viability and sustainability of Ontario's agriculture industry and rural communities, as well as provide confidence to consumers that Ontario's food is safe.

OMAFRA works with businesses to understand their information and resource needs for building capacity to meet regulatory and market access requirements, and is addressing these needs through knowledge and technology transfer activities. For example, OMAFRA leveraged federal support through *Growing Forward 2* to provide funding for the delivery of five training events in 2016-17 for Ontario food processors on food safety best practices and optimization of traceability systems. Almost 98 per cent of participants indicated the training improved their knowledge, and more than 90 per cent indicated the information would influence their business plans.

OMAFRA is working closely with FPT partners and industry associations to advance the implementation of the three pillars of traceability (premises identification, animal identification and movement reporting) throughout the livestock sector in preparation for the amendment to the federal *Health of Animals Act* and *Regulations*, expected to be published in *Canada Gazette I* in fall 2017.

OMAFRA has been working with other ministries to deliver a Pollinator Health Strategy for Ontario that includes sustainable, long-term initiatives aimed at improving the health of bees and other pollinators.

The strategy supports the province's action to strengthen pollinator health to ensure healthy ecosystems, a productive agricultural sector, and a strong economy.

The Pollinator Health Strategy is multi-faceted, and includes:

- a financial program in 2014 and 2015 to assist beekeepers experiencing high levels of bee hive losses;
- a permanent Bee Mortality Production Insurance plan (started in September 2015) to cover overwinter losses caused by insured perils, such as excessive cold, ice damage and diseases/pests.
- a regulation enacted in July 2015 limiting the use of neonicotinoid-treated corn and soybean seed; and
- the development and launch of a comprehensive Pollinator Health Action Plan in December 2016 to address multiple stressors on pollinators.

The ministry is working with the Ministry of Environment and Climate Change (MOECC) to enhance environmental protection efforts through technical education and outreach and advisory services to assist Ontario's producers to address climate change issues and manage our soil and water resources effectively.

Ontario launched a soil mapping initiative that will contribute to the growing understanding of how soil properties can inform land management. With an investment of \$5.1 million through *Growing Forward 2*, the new data collected by the soil mapping initiative will help farmers adjust their management practices by:

- Providing data to support agricultural and environmental initiatives
- Contributing information to support climate change mitigation and adaption efforts
- Further protecting the quality of Ontario's lakes, rivers and streams.

OMAFRA has worked with MOECC and the Ministry of Natural Resources and Forestry to develop a draft Canada-Ontario Action Plan to achieve phosphorus reduction in Lake Erie.

OMAFRA is working with the agriculture and food sector to find ways to provide consumers with competitively priced food while managing the impacts of climate change. With stewardship initiatives such as the Environmental Farm Plan and the 4Rs Stewardship program (the right fertilizer at the right rate, the right time and in the right place), the ministry is continuously improving and adjusting management practices to be more effective in promoting soil health and in supporting a sustainable agriculture sector. OMAFRA is also protecting our natural water resources through both the Great Lakes

Agricultural Stewardship Initiative (GLASI) and Source Water Protection program.

Ministry Administration and Policy

OMAFRA continues to provide high quality customer service and delivers programs efficiently. To drive the success for rural Ontario, the ministry will ensure rural consideration is given in policy and programs across government and will develop key performance measures and metrics to promote economic growth and opportunities to support a high quality of life for its residents.

In support of Ontario's Open Government strategy, OMAFRA has developed and launched a multi-year Open Government work plan that captures progressive goals and aligns with the province's broader strategy. The ministry's work plan includes key commitments under each of the three streams of Open Government: Open Dialogue, Open Data, and Open Information. Through the work plan OMAFRA will continue to:

- Continue to make informed, evidence-based decisions on policies, programs and services that impact the rural, agriculture and food sectors.
- Proactively share information with the public to raise awareness about what the ministry is doing to promote openness, transparency and public engagement.
- Engage in meaningful dialogue with the public to build effective policies and programs for the province's rural, agriculture and food system.

In addition, OMAFRA will work to embed open government principles into the ministry's culture, processes and plans.

The ministry also provides strategic leadership, advice and facilitation to industry producers, processors and other value chain participants and works with the industry on regulatory changes to advance the sector.

Ministry Planned Expenditures 2017-18 (\$M)

Operating	748
Capital	278
Total	1,026

Highlights of 2016-17 Achievements

Strong Agriculture, Food and Bio-product Sectors and Strong Rural Communities

- The agri-food sector added \$36.4 billion to the province's economy and supported almost 800,000 jobs. In 2016, agri-food exports rose to \$14.8 billion, up five per cent from the previous year.
- In 2016-17, the ministry influenced \$421 million in investments and the creation/retention of 4,841 jobs by Ontario food and beverage manufacturers.
- The Ontario government understands that high-speed internet contributes to economic growth, a clean environment and stronger communities. In 2016-17, the ministry continued to work with other ministries to support the growth of manufacturing and the digital economy in rural Ontario.
- The government of Ontario is making the largest investment in public infrastructure in the province's history, about \$160 billion over 12 years.
- In 2014, the government launched the permanent Ontario Community Infrastructure Fund (OCIF), which provides significant funding for the repair and revitalization of roads, bridges and other infrastructure in small, rural and northern communities.
- The expanded OCIF will increase investments in small, rural and northern municipalities to \$300 million per year by 2019, with:
 - stable, bankable and predictable formula-based funding increasing to \$200 million; and
 - funding under the top-up application component increasing to \$100 million per year.
- Since January 2015, 426 municipalities have received almost \$195 million through three years of formula-based allocations to support community-focused infrastructure projects identified in local asset management plans.

- In addition, more than 190 critical infrastructure projects have been approved for grants totalling over \$230 million through both the original application-based component and new top-up application component.

Better Public Health and Environment

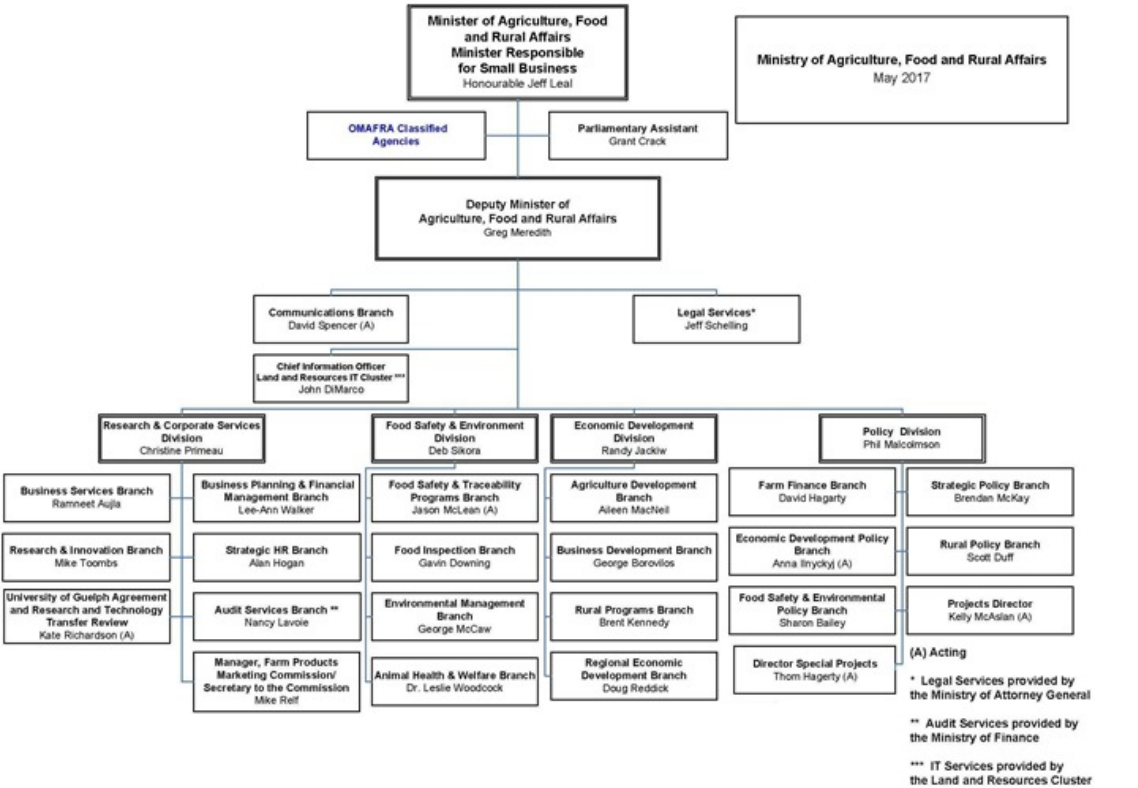
- The ministry provided new support through *Growing Forward 2* (GF2) Best Management Practices (BMPs).
- As part of Ontario's Pollinator Health Strategy, OMAFRA released the Pollinator Health Action Plan in December 2016.
- OMAFRA saw growth in the regulated populations of both dairy processing and goat milk production; in 2016-2017 there were several new dairy plants licensed and new goat milk producers registered.
- OMAFRA reviewed and updated its humane handling and animal welfare policies and tools used to ensure compliance with animal welfare legislative regulatory requirements.
- OMAFRA continues working with Ontario farm leadership on a partnership approach designed to contribute to the Lake Erie phosphorous reduction target.

Ministry Administration and Policy

- OMAFRA consulted with stakeholders on the development of an Agricultural System for the Greater Golden Horseshoe. This input will inform the development of a draft Agricultural System map and implementation guidelines for future consultation in 2017.
- In 2016, OMAFRA engaged with Indigenous leaders, municipal representatives and the livestock sector on an early concept to expand livestock production in the Great Clay Belt of northern Ontario (now referred to as the Northern Livestock Pilot). The results of these discussions led to a focused and scoped pilot to be implemented and tested within the proposed study area.

For more details on these and other successes, please see the annual report appended to this document.

Ministry Organization Chart



Text equivalent to graphic

Agencies, Boards and Commissions (ABCs)

OMAFRA's agencies perform a range of functions, from delivering Business Risk Management Programs, to supervising the province's 20 marketing boards and three representative commodity associations, to fulfilling other regulatory, operational, trust and advisory functions.

The ministry is responsible for the governance and oversight of 12 provincial agencies in accordance with the Agencies & Appointments Directive, 2015. The following is a list of the ministry's agencies, boards and commissions who are accountable to the Minister.

Consolidated Agencies

Agencies with assets, liabilities, revenues or expenses greater than \$50 million, or an annual surplus or deficit or outside revenue source of greater than \$10 million, are consolidated in OMAFRA's budget.

Agricorp

Type of agency: Board-governed/ Operational Enterprise

Constituting instrument: *AgriCorp Act*

Function:

Agricorp was created in 1997 with a mandate to deliver crop insurance and other agricultural business risk management programs. Agricorp currently delivers three core programs, AgriStability, Production Insurance and the suite of Risk Management Programs, as well as several smaller programs, such as Farm Business Registration.

Agricultural Research Institute of Ontario (ARIO)

Type of agency: Board-governed/ Operational Service

Constituting instrument: *Agricultural Research Institute of Ontario Act*

Function:

ARIO provides strategic advice to the ministry regarding the direction of ministry funded research programs in the areas of agriculture, food, veterinary medicine and household science. In addition, ARIO administers research programs on behalf of the ministry and owns and manages the province's agri-food research infrastructure, which is critical to the future success of Ontario's agri-food and rural sectors and a key component of overall provincial economic growth.

Financial Information for Consolidated Agencies (\$M)

	2017-18 Expenditure Estimates	2017-18 Revenue Estimates	2016-17 Expenditure Interim Actuals	2016-17 Revenue Interim Actuals	2015-16 Expenditure Actuals	2015-16 Revenue Actuals
Agricorp	145.22	179.87	180.09	174.39	115.93	142.01
ARIO	4.80	2.89	5.56	5.23	4.95	4.86

Non-Consolidated Agencies

Agriculture, Food and Rural Affairs Appeal Tribunal (AFRAAT) / Board of Negotiation (BON)

Type of agency: Non Board-governed/Adjudicative

Constituting instrument: *Ministry of Agriculture, Food and Rural Affairs Act and Environmental Protection Act*

Function:

The function of the AFRAAT is to provide a fair and impartial hearing and decision process for those who are aggrieved by a direction, policy, order or decision, or who require the resolution of a dispute pursuant to one of 17 provincial statutes related to the agriculture and food industry. Most of the matters heard by the Tribunal arise from appeals of decisions made under the following eight statutes: *Drainage Act, Crop Insurance Act, Farm Products Marketing Act, Milk Act, Assessment Act, Food Safety and Quality Act, Farm Registration and Farm Organizations Funding Act* (applications heard), *Farm Implements Act*.

The BON negotiates settlement in cases where contaminants cause damage to livestock, crops, trees or other vegetation. While the jurisdiction for requesting assistance from the BON falls with the Minister of Environment and Climate Change in legislation, the operation of the BON has been transferred to the

Ministry of Agriculture, Food and Rural Affairs.

Normal Farm Practices Protection Board (NFPPB)

Type of agency: Non Board-governed/Adjudicative

Constituting instrument: *Farming and Food Production Protection Act*

Function:

The NFPPB reviews and resolves disputes respecting an agricultural operation, including the determination of what constitutes a normal farm practice; and makes the necessary inquiries and orders to ensure compliance with its decisions.

Grain Financial Protection Board (GFPB) /Livestock Financial Protection Board (LFPB)

Type of agency: Board-governed/Trust

Constituting instrument: *Farm Products Payments Act*

Function:

Under the *Farm Products Payments Act*, funds and boards are established to protect producers from non-payment by licensed buyers.

The GFPB collects fees, administers a compensation fund and approves claims made against the fund. The fund was set up under the Grain Financial Protection Program to protect producers of grain corn, soybeans, wheat and canola in the event of defaults on payment by licensed buyers as well as to protect owners of grain who store their grain in licensed grain elevators.

The LFPB collects fees, administers a compensation fund and approves claims made against the fund. The fund was set up under the Ontario Beef Cattle Financial Protection Program to protect producers and other sellers of beef cattle in the event of defaults on payment by licensed buyers.

Business Risk Management Review Committee (BRMRC)

Type of agency: Advisory

Constituting instrument: *Order in Council*

Function:

The BRMRC has the authority to consider requests for reviews and make non-binding recommendations to the program administration for the following programs: AgriStability; Ontario's Risk Management Program (including Ontario's Self-Directed Risk Management Program); and, any other program to which the Lieutenant Governor in Council or the Minister assigns responsibility.

Livestock Medicines Advisory Committee (LMAC)

Type of agency: Advisory

Constituting instrument: *Livestock Medicines Act*

Function:

The LMAC has a duty to review all legislation and regulations related to livestock medicines and their use, and advise the Minister on matters relating to their control and regulation. It evaluates and recommends procedures relating to their sale and the proper standards for livestock medicine maintenance, handling and storage. The LMAC also makes recommendations respecting the description of drugs or classes of drugs for sale under a licence or any class of licence and make inquiries and reports back to the Minister on any matter as referred.

Rural Economic Development Advisory Panel (REDAP)

Type of agency: Advisory

Constituting instrument: *Order in Council*

Function:

The REDAP is responsible for providing non-binding recommendations to the Minister on applications for funding under the RED program and any other program that the Lieutenant Governor in Council or the Minister may assign.

Ontario Farm Products Marketing Commission (OFPMC)

Type of agency: Non Board-governed/ Regulatory

Constituting instrument: *Ministry of Agriculture, Food and Rural Affairs Act*

Function:

The OFPMC administers the *Farm Products Marketing Act* and the *Milk Act*, develops and implements regulated marketing policy, represents Ontario's interests in regulated marketing at the national level and supervises Ontario's 21 marketing boards and three designated associations. It also provides leadership in the form of advice, facilitation and direction, as well as educational programs to these boards and associations.

Ontario Food Terminal Board (OFTB)

Type of agency: Board-governed/ Operational Enterprise

Constituting instrument: *Ontario Food Terminal Act*

Function:

The OFTB has a mandate to acquire, construct, equip and operate a wholesale fruit and produce market, and operate such facility for the distribution and handling of fruit and produce.

Detailed Financial Information

Combined Operating and Capital Summary by Vote

Votes/ Programs	Estimates 2017-18 \$	Change from Estimates 2016-17 \$	%	Estimates 2016-17 * \$	Interim Actuals 2016-17 * \$	Actuals 2015-16 * \$
Operating Expense						
Ministry Administration Program	22,902,300	-	-	22,902,300	24,208,300	23,529,444
Better Public Health and Environment	91,995,000	1,225,000	1.3	90,770,000	82,414,700	77,527,453
Strong Agriculture, Food and Bio- product Sectors and Strong Rural Communities	461,757,100	(19,496,200)	(4.1)	481,253,300	477,234,700	486,129,696
Policy Development	15,944,200	-	-	15,944,200	17,859,400	16,083,993
Less: Special Warrants		-				
Total Operating Expense to be Voted	592,598,600	(18,271,200)	(3.0)	610,869,800	601,717,100	603,270,586
Special Warrants		-				
Statutory Appropriations	1,081,014	(1,015,000)	(48.4)	2,096,014	578,400	250,562
Ministry Total Operating Expense	593,679,614	(19,286,200)	(3.1)	612,965,814	602,295,500	603,521,148
Consolidation Adjustment - Agricorp	144,562,400	2,579,200	1.8	141,983,200	179,449,200	115,049,377
Consolidation Adjustment - Agricultural Research (ARIO)	5,838,300	(7,225,200)	(55.3)	13,063,500	13,827,100	16,495,428
Consolidation Adjustment - Ontario Racing Commission	-	-		-	-	8,142,000

Operating Expense Adjustment - Greenhouse Gas Reduction Account Reclassification	4,400,000	4,400,000		-	-	-
Total Including Consolidation & Other Adjustments	748,480,314	(19,532,200)	(2.5)	768,012,514	795,571,800	743,207,953
Operating Assets						
Ministry Administration Program	-	(300,000)	(100.0)	300,000	N/A	-
Better Public Health and Environment	12,000,000	(300,000)	(2.4)	12,300,000	N/A	3,453,500
Strong Agriculture, Food and Bio-product Sectors and Strong Rural Communities	-	(305,000)	(100.0)	305,000	N/A	-
Total Operating Assets to be Voted	12,000,000	(905,000)	(7.0)	12,905,000	N / A	3,453,500
Ministry Total Operating Assets	12,000,000	(905,000)	(7.0)	12,905,000	N / A	3,453,500

Votes / Programs	Estimates 2017-18 \$	Change from Estimates 2016-17 \$	%	Estimates 2016-17 * \$	Interim Actuals 2016-17 * \$	Actuals 2015-16 * \$
Capital Expense						
Strong Agriculture, Food and Bio-product Sectors and Strong Rural Communities	158,075,000	(707,600)	(0.4)	158,782,600	172,168,800	196,799,118
Total Capital Expense to be Voted	158,075,000	(707,600)	(0.4)	158,782,600	172,168,800	196,799,118
Ministry Total Capital Expense	158,075,000	(707,600)	(0.4)	158,782,600	172,168,800	196,799,118
Consolidation Adjustment - Agricorp	659,800	(228,700)	(25.7)	888,500	642,700	884,832
Consolidation Adjustment - Agricultural Research Institute of Ontario (ARIO)	(1,042,800)	10,722,500		(11,765,300)	(8,265,300)	(11,548,305)
Consolidation Adjustment - Ontario Racing Commission	-	-		-	-	72,000
Capital Expense Adjustment - Trillium Trust Reclassification	120,325,000	120,325,000		-	113,500,000	-
Total	278,017,000	130,111,200	88.0	147,905,800	278,046,200	186,207,645

Including Consolidation & Other Adjustments						
Ministry Total Operating and Capital Including Consolidation and Other Adjustments (not including Assets)	1,026,497,314	110,579,000	12.1	915,918,314	1,073,618,000	929,415,598

* Estimates, Interim Actuals and Actuals for prior fiscal years are re-stated to reflect any changes in ministry organization and/or program structure. Interim actuals reflect the numbers presented in the 2017 Ontario Budget.

For additional financial information see:

- [Expenditure Estimates](#)
- [Public Accounts of Ontario](#)
- [Budget 2017](#)
- [OMAFRA](#)

Appendix: 2016-17 Annual Report

2016-17 Achievements

Ontario's agriculture and food sector is an important economic engine and contributes to our high quality of life by providing good jobs and safe food.

Strong Agriculture, Food and Bio-product Sectors and Strong Rural Communities

- The agri-food sector adds \$36.4 billion to the province's economy and supports almost 800,000 jobs. In 2016 agri-food, exports rose to \$14.8 billion, up five per cent from the previous year.
- In 2016-17, the ministry influenced \$421 million in investments and the creation/retention of 4,841 jobs by Ontario food and beverage manufacturers.
- To capitalize on the sector's potential for growth, the Food and Beverage Growth Fund (FBGF) is dedicated to strategic investments of \$400 million over 10 years to create jobs and growth in the food processing sector, as part of the \$2.5 billion Jobs and Prosperity Fund.
- To date, the Food and Beverage Growth Fund has made key investments that helped create and retain nearly 1050 jobs. The fund supports productivity growth, investment attraction and retention, and enhanced market access for the food and beverage processing sector. A few examples include:
 - \$1.5 million to assist a beverage company to improve efficiencies and expand outputs to capture new markets;
 - \$1 million to help a snack food company double its production capacity and capitalize on new export opportunities;
 - \$5 million to support a milling company to build a new bulk mill and improve access to transportation; and
 - \$1.7 million to help a produce company expand its processing facilities, to meet growing consumer demand for fresh produce.
- Buying and supporting local food creates jobs and economic growth in communities across the province. In 2016-2017,
 - the province invested \$6.3 million in 133 local food initiatives through programs such as the Local Food Investment Fund, GF2, and the RED program.
 - OMAFRA partnered with the Dietitians of Canada and the Ontario Fruit and Vegetable Growers' Association to deliver year-four of Fresh from the Farm that allows schools to raise funds by selling bundles of Ontario produce. In total, 371

schools participated generating \$950,000 in local food sales representing 900,000 lbs of Ontario fruits and vegetables.

- The Ontario government continues to support the growth and success of Ontario's wine and grape industry with its commitment of up to \$75 million over five years under a renewed Wine and Grape Strategy. In parallel, it is now also offering \$4.9 million in support for small cider and spirit producers over three years (2017-2020) through the Small Cider and Small Distillery Support Program.
- The Ontario government understands that high-speed internet contributes to economic growth, a clean environment and stronger communities. In 2016-17, the ministry continued to work with other ministries to support the growth of manufacturing and the digital economy in rural Ontario.
 - Connectivity and broadband is an eligible category under the Small Communities Fund (SCF), which will fund priority infrastructure projects, including broadband infrastructure in rural Ontario.
 - As part of SCF, Ontario is investing up to \$90 million in the Southwestern Integrated Fibre Technology (SWIFT) project that will help to improve high-speed internet access throughout southwestern Ontario.
 - The SWIFT project is a strategic project that the province is investing in that will benefit a large region of southwestern Ontario, similar to the Eastern Ontario Regional Network (EORN), which was completed in March 2015.
 - EORN covered 50,000 square kilometres of eastern Ontario with 160 new optical access points for Internet Service Providers (ISP) to connect and utilize.
 - The EORN project resulted in new high-speed fibre connections to more than 50 additional business parks and commercial areas across the region, to help attract and retain businesses.
 - The continued advancement of Ontario's broadband infrastructure capacity and coverage remains a priority to our Ministry, as it will enhance our digital economy, allowing businesses to be innovative, productive and also help governments provide better, timelier services to their citizens.
- In June 2005, Ontario announced the creation of the 12-year, over \$520 million Ontario Ethanol Growth Fund (OEGF) program to support the construction and operation of ethanol plants to help meet the demand created by the government's ethanol regulation. As a result of this program (which ended, as planned, on December 31, 2016), Ontario created a vibrant and sustainable ethanol industry. The OEGF program has been the stepping stone to help Ontario biofuel producers develop more diverse, value-added products and remain viable into the future.
 - OEGF generated over \$635 million in private capital investments and created over 300 full time jobs.
 - OEGF increased demand for corn by about 110 bushels annually (of which about 95 per cent are procured from domestic sources).
 - OEGF helped create seven ethanol facilities in Ontario. Combined, these facilities have increased domestic production capacity to 1.1 billion litres per year.
 - OEGF created a demand for 850 million litres of ethanol annually to comply with the five per cent ethanol mandate which is equivalent to the removal of 200,000 vehicles off the road per year.
- The government of Ontario is making the largest investment in public infrastructure in the province's history, about \$160 billion over 12 years.
 - This 12-year funding commitment includes the \$31.5 billion Moving Ontario Forward plan with \$15 billion dedicated to infrastructure priorities outside of the Greater Toronto and Hamilton Area.
 - Dedicated funding will help small, rural and northern communities across Ontario to address a range of critical infrastructure needs as well as support economic growth.
 - In 2014, the government launched the permanent Ontario Community Infrastructure Fund, which provides significant funding for the repair and revitalization of roads, bridges and other infrastructure in small, rural and

northern communities.

- The expanded OCIF will increase investments in small, rural and northern municipalities to \$300 million per year by 2019, with:
 - stable, bankable and predictable formula-based funding increasing to \$200 million; and
- Funding under the OCIF top-up application component increasing to \$100 million per year. Since January 2015, 426 municipalities have received almost \$195 million through three years of formula-based allocations to support community focused infrastructure projects identified in local asset management plans.
- In addition, more than 190 critical infrastructure projects have been approved for grants totalling over \$230 million through both the original application-based component and new top-up application component.
- The \$100 million Natural Gas Grant Program launched on April 21, 2017. Natural gas distributors and suppliers will be able to work with municipalities, First Nations, and unincorporated areas to bring forward proposals under a competitive intake process. The application deadline for the Natural Gas Grant Program is July 31, 2017.
- We have also provided communities with funding under the Small Communities Fund, with the Ontario and Canadian governments each providing up to \$272 million toward critical infrastructure projects in communities with populations less than 100,000.
- 2016 marked the tenth anniversary of the Premier's Award for Agri-Food Innovation Excellence. This program has distributed \$4.25 million agri-food growth to 25 innovators across the province. Over 70 per cent of innovators recognized indicate they have created or retained jobs and nearly 80 per cent have indicated improved profitability or increased sales.

Better Public Health and Environment

- The ministry provided new support through *Growing Forward 2* (GF2) Best Management Practices (BMPs)
 - To help producers strengthen the biosecurity in response to new invasive pest threats.
 - For Greenhouse Gas (GHG) reduction in agriculture facilities to support growers in adopting technologies that will reduce GHG emissions and improve energy efficiency. This support is administered by the Ontario Soil and Crop Improvement Association.
- The ministry consulted on a soil health discussion document entitled "Sustaining Ontario's Agricultural Soils: Toward a Shared Vision". The discussion document sought input on the collective efforts needed by government and stakeholders to support and improve agricultural soil health. This input will inform the development of a draft strategy which will be released for future consultation.
 - A key theme under the Soil Strategy is updating legacy soil maps in Ontario using a range of technologies, including Light Detection and Ranging or LiDAR, remote sensing, Geographic Information System tools and specialized computer software.
- OMAFRA has worked with other ministries to deliver Ontario's broader Pollinator Health Strategy to strengthen our province's managed bee and wild pollinator populations. As part of the strategy, OMAFRA released a draft Pollinator Health Action Plan in spring 2016 and the final plan was released in December 2016. The plan focuses on actions to address the four key stressors that impact pollinator health and supports three key aspirational targets:
 - Reduce overwinter mortality rates for managed honey bees to 15 per cent by 2020.
 - Achieve an 80 per cent reduction in the number of acres planted with neonicotinoid-treated corn and soybean seed by 2017.
 - Restore, enhance and protect one million acres of pollinator habitat in Ontario.
- As of May 31, 2017, government support helped more than 11,000 individuals become certified through the Integrated Pest Management (IPM) Course delivered by the University of Guelph Ridgetown Campus. The training was provided at no cost through to May 31, 2017.

- OMAFRA saw growth in both dairy processing and goat milk production; in 2016-2017 there were several new dairy plants licensed and new goat milk producers registered.
- OMAFRA provided inspection services:
 - to approximately 130 provincially licensed slaughter plants. Provincially licensed plants slaughtered 781,476 head of red meat, 19,708,141 head of white meat, 20,489,617 head total. Inspectors were present for the slaughter of each animal in a provincially licensed abattoir to ensure food safety and animal welfare regulatory requirements were met.
 - to approximately 370 provincially licensed freestanding plants on a risk-based frequency to ensure food safety requirements were met.
- OMAFRA's Meat Inspection Program (MIP):
 - Continued to work with meat plant operators, the Muslim Association of Canada, and Islamic Society of North America (ISNA) to raise awareness of and compliance to provincial regulations for Eid-al-Adha (Eid) at licensed meat plants across Ontario by developing new communication materials to protect animal welfare and food safety.
 - Developed a Regulatory Compliance Model and Progressive Compliance Policy to promote a risk-based approach to compliance activities.
 - Developed analytics tools to drive the continuous improvement of the Meat Inspection Program. Data from audits, inspections, and program testing is analyzed to determine trends, identify risks, and to inform overall program decisions to achieve food safety and animal welfare outcomes.
- OMAFRA reviewed and updated its humane handling and welfare policies and tools used to ensure compliance with animal welfare legislative requirements. The updated policy and newly implemented tools respond to the needs of meat plant operators and ministry staff by providing operators with the resources they need to achieve compliance.
 - Operators will be able to clearly demonstrate their commitment to animal welfare and better provide religious communities with safe, inspected meat which is consistent with our vision of safe food, healthy environment and healthy animals.
- Changes to the Produce, Honey and Maple Products Regulation (O.Reg. 119/11) under the *Food Safety and Quality Act, 2001* came into effect on January 1, 2016. These changes strengthen food safety and the traceability of maple products and address consumer protection by updating maple syrup grading requirements.
 - In 2016-2017, OMAFRA provided information and guidance material to maple syrup producers to assist them in becoming compliant with the new regulations. Through a C4C (Communication for Compliance) the ministry provided targeted information to produce vendors to assist them in becoming compliant with the signage requirements of the regulation.
- OMAFRA initiated consultation on modernizing and updating the regulatory environment for fish processors in Ontario. Eight stakeholder engagement sessions and six Indigenous community meetings were held across Ontario to solicit feedback. The results from the consultations are being used to inform drafting instructions for a new fish regulation under the *Food Safety and Quality Act, 2001*, and the development of accompanying policy and programs. The proposed regulatory approach would see a risk and outcome based regulation for non-federally registered fish processing operations in Ontario.
- OMAFRA continues working with Ontario farm leadership on a partnership approach designed to contribute to the Lake Erie phosphorous reduction target. Actions include:
 - an initiative with the greenhouse industry and MOECC to reduce phosphorous discharge in the Leamington and Thames River areas;
 - a "Timing Matters" campaign with Ontario livestock organizations to reduce winter spreading of manure;
 - a cover crops strategy with Ontario crop industry organizations to encourage increased adoption of cover crops;
 - an industry-led program designed to reduce phosphorous run off through the timely and appropriate application of commercial fertilizer ("4Rs"); and

funding the completion of 650 Farmland Health Incentive projects, under the Great Lakes Agricultural Stewardship Initiative (GLASI) to improve soil health to reduce nutrient loss and build resilience to extreme weather events. Over its four years, GLASI will have invested \$16 million in agricultural stewardship initiatives.

- Since 2013, the federal and provincial governments have committed more than \$18.9 million towards over 1,000 projects through GF2's Environment and Climate Change Adaptation focus area.

Ministry Administration and Policy

- As part of the Coordinated Plan Review, OMAFRA supported the ministries of Municipal Affairs and Natural Resources and Forestry during consultations on draft amendments to the Growth Plan for the Greater Golden Horseshoe, Greenbelt Plan, Oak Ridges Moraine Conservation Plan and Niagara Escarpment Plan.
- OMAFRA consulted with stakeholders on the development of an Agricultural System for the Greater Golden Horseshoe. This was one of OMAFRA's commitments under the Coordinated Plan Review initiative. This input will inform the development of a draft Agricultural System map and implementation guidelines for consultation in 2017.
- OMAFRA finalized two implementation guidelines to help municipalities implement the Provincial Policy Statement. An updated version of the Minimum Distance Separation Formulae and Guidelines were released in 2017. Also in 2017, the ministry released a new guide on Permitted Uses in Prime Agricultural Areas.
- In 2016, OMAFRA engaged with Indigenous leaders, municipal representatives and the livestock sector on an early concept to expand livestock production in the Great Clay Belt of northern Ontario (now referred to as the Northern Livestock Pilot). The results of these discussions led to a focused and scoped pilot to be implemented and tested within the proposed study area.

Ministry Interim Actual Expenditures 2016-17

	Ministry Interim Actual Expenditures (\$M) 2016-17 *
Operating	796
Capital	278
Staff Strength ** (as of March 31, 2017)	898.49

* Interim actuals reflect the numbers presented in the 2017 Ontario Budget.

** Ontario Public Service Full-Time Equivalent positions.

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