



AGRICULTURE AND RURAL

Strong rural communities are important in a diversified and innovative provincial economy. Food and beverage manufacturing is the second-largest manufacturing sector in the Ontario economy. With farm cash receipts totalling about \$10.2 billion in 2008, Ontario farmers make an important economic contribution to the province. The McGuinty government is committed to supporting Ontario's farmers and is working with rural communities to help ensure a prosperous future.

Recent Achievements

Agriculture

In 2009-10, ongoing support by the Ministry of Agriculture, Food and Rural Affairs (OMAFRA) increased by 53 per cent, compared to 2003-04, including:

- \$9 million over three years, starting in 2009-10, to promote and increase awareness of Ontario food products to the Broader Public Sector
- \$1.5 million for OMAFRA to develop new agri-food research centres focused on livestock and crop production, renewable energy, nutrition and health.

As a result, food producers are selling their products with greater ease as consumers are now better able to identify Ontario-grown foods and produce.

Rural Communities

Since the creation of the Eastern Ontario Development Fund in 2008, the government has approved more than \$30 million in funding. This money will help attract investment and help companies in the region invest in new technologies, new equipment and skills training for their employees.

Since 2003, the Rural Summer Jobs Service Program has provided over 8,000 employers with \$21 million to assist in placing more than 28,000 students.

Ontario's Tax Plan for Jobs and Growth

As a result of the Harmonized Sales Tax (HST), it is estimated that farmers will benefit from nearly \$30 million in sales tax relief annually. Similar to the Goods and Services Tax (GST), farmers will not pay HST on zero-rated farm equipment and will be reimbursed for the tax paid on other business purchases by claiming input tax credits. These credits will apply to many items bought for use in farming that are currently taxable under the Retail Sales Tax, like trucks, light vans and parts, lawn mowers, office computers and freezers.

To further support Ontario farmers, temporary restrictions on certain input tax credits will not apply to farming businesses. Farming and agriculture corporations will also save \$15 million per year when Ontario's corporate income tax cuts are fully implemented.

Achievements Since 2003

Agriculture

In the agricultural sector, the Ontario government has:

- Continued to support Ontario farmers through farm-income stabilization and support programs — expenditures for these programs totaled more than \$1.8 billion over the 2003-04 to 2008-09 fiscal years
- Expanded the Land Transfer Tax exemption in 2008 for transfers of family farms to include transfers from family farm corporations to individual family members. This has allowed continuation of the tradition of passing on ownership of the family farm
- Increased consumer awareness and demand for the fresh, high-quality food produced in Ontario through enhanced funding for Foodland Ontario, and encouraged its expansion into other product areas, and support for local marketing initiatives through the Market Investment Fund
- Enhanced research, innovation, environmental stewardship and economic development investment through:
 - A \$25 million investment in the Agricultural Research Institute of Ontario and the Vineland Research and Innovation Centre
 - A \$31 million investment for development of the Elora Livestock, Environmental and Energy Complex
 - A \$6 million investment in research for development of agricultural-based bio-materials to be used in auto manufacturing
 - Providing financial support for environmental farm plans and more than \$11.2 million to support the development of green energy on-farm bio-gas power generation.
- Provided over \$2.9 billion since 1998 from slot machine revenues at race tracks to promote the economic growth of the horse-racing industry in Ontario, a key component of the province's agricultural sector
- In 2003, OMAFRA increased the number of meat-inspection positions from 10 to 128. Between 2005 and 2008, following the proclamation of the Food Safety and Quality Act and implementation of Meat Reg 31/05, OMAFRA further increased the number of meat-inspection positions to 170. OMAFRA has also provided \$14.6 million to date for compliance upgrading support for processors.

Rural

The government is committed to supporting a high quality of life in Ontario's rural communities. Key initiatives include:

- With its federal partner, the Ontario government is investing more than \$700 million under the first intake of the Communities Component of the Building Canada Fund. This will involve 291 infrastructure projects in Ontario communities with populations of fewer than 100,000. A further joint investment of \$392 million for 187 projects, as part of the infrastructure stimulus measures, was announced in June 2009 under the second intake of the program

- The governments of Ontario and Canada announced nearly \$1.95 billion in combined funding for more than 1,200 construction-ready projects under the municipal intake of the Infrastructure Stimulus Fund, including rural municipalities
- In July 2009, the provincial and federal governments announced a joint investment of \$110 million to support the development of the Eastern Ontario Regional Network, which will expand high-speed Internet access throughout rural Eastern Ontario
- Since 2007, the Ontario government has committed over \$27.4 million to 47 broadband projects through the Rural Connections initiative. Once all projects are completed, it is expected that about 85 per cent of the rural population in southern Ontario will have broadband access
- Since 2003, the Rural Economic Development Program has invested \$91 million in 266 projects, generating over \$737 million in new economic activity
- Adding 59 Family Health Teams to rural and northern communities
- \$298 million in provincial funding under the Canada-Ontario Municipal Rural Infrastructure Fund to help fund 280 infrastructure projects. This included an Asset Management Program to help rural and small communities improve and increase their capacity to manage infrastructure assets
- \$140 million in 2006-07 for rural and small municipalities under the Rural Infrastructure Investment Initiative for infrastructure renewal
- \$450 million in 2007-08 under the Municipal Infrastructure Investment Initiative to help municipalities outside Toronto implement infrastructure projects in their communities
- An additional \$789 million to rural school boards for the 2002-03 to 2009-10 school years — a 46 per cent increase per student.