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Standing Committee on the Interior

Comité permanent des affaires intérieures

Protecting Ontario's Food Independence Act, 2026

Loi de 2026 visant à protéger l'autonomie alimentaire de l'Ontario

1st Session
44th Parliament

Monday 10 August 2026

1re session
44e législature

Lundi 10 août 2026

Chair: Aris Babikian
Clerk: Stefan Uguen-Csenge

Président : Aris Babikian
Greffier : Stefan Uguen-Csenge

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON THE INTERIOR

COMITÉ PERMANENT DES AFFAIRES INTÉRIEURES

Monday 10 August 2026

Lundi 10 août 2026

The committee met at 1003 in Retro Suites Hotel, Chatham-Kent.

The Clerk of the Committee (Mr. Stefan Uguen-Csenge): Good morning, honourable members. It is my duty to call upon you to elect an Acting Chair. Are there any nominations? MPP Cuzzetto.

Mr. Rudy Cuzzetto: I would like to nominate Andrew Dowie for Chair.

The Clerk of the Committee (Mr. Stefan Uguen-Csenge): Does the member accept the nomination?

Mr. Andrew Dowie: Yes.

The Clerk of the Committee (Mr. Stefan Uguen-Csenge): Are there any further nominations? There being no further nominations, I declare the nominations closed and MPP Dowie elected Acting Chair of the committee.

PROTECTING ONTARIO'S FOOD INDEPENDENCE ACT, 2026

LOI DE 2026 VISANT À PROTÉGER L'AUTONOMIE ALIMENTAIRE DE L'ONTARIO

Consideration of the following bill:

Bill 109, An Act to enact the Farmland Security Act, 2026 and to amend various Acts / Projet de loi 109, Loi édictant la Loi de 2026 visant à protéger l'autonomie alimentaire de l'Ontario et modifiant diverses lois.

The Acting Chair (Mr. Andrew Dowie): Good morning, members. Welcome to Chatham. The Standing Committee on the Interior will now come to order. We're meeting today to continue public hearings on Bill 109, An Act to enact the Farmland Security Act, 2026 and to amend various Acts.

MINISTRY OF AGRICULTURE, FOOD AND AGRIBUSINESS

The Acting Chair (Mr. Andrew Dowie): I will now call on the Honourable Trevor Jones, Minister of Agriculture, Food and Agribusiness, to make his opening statement. He will have 20 minutes to make an opening statement, followed by 39 minutes of questions from the members of the committee.

Minister Jones, the floor is yours.

Hon. Trevor Jones: Good morning, Chair, and thank you, committee members. Welcome home to Chatham-Kent. I really appreciate the opportunity to work with you today and address you, and to work with our communities in our communities.

It's an honour to be here before the Standing Committee on the Interior. Thank you to the Chair and all our members of the committee for the opportunity to speak today on Bill 109, the proposed Protecting Ontario's Food Independence Act.

Over the last year or more, I have had the privilege of travelling across Ontario to spend time with the people who know agriculture best: our farmers and food producers. We've had conversations on farms, at kitchen tables, in barns, fields and state-of-the-art production facilities. Those conversations have been invaluable. They've helped shape the legislation and they've reinforced something I've believed from day one: The best ideas come from the people doing the work every day.

I want to sincerely thank the many farmers and commodity organizations, agribusinesses and partners from across the sector for being our trusted advisers. Because of their input, our government is taking meaningful action to increase the competitiveness and resilience of our farms and food businesses, increase Ontario's self-reliance and help unlock even more economic potential across our sector. Bill 109 reflects that very collaboration. The final result, if passed, would be a meaningful impact on an important piece of legislation.

I'm very proud of the work we've done and we're continuing to do together. More importantly, I am proud that this legislation responds directly to what we've been hearing from the people who grow, raise and process our food. At a time of great global uncertainty and ongoing trade challenges, there has never been a more important time to protect Ontario's food independence, because food security truly is national security. We want Ontario's farmers and food businesses to have every opportunity to compete, expand and go into new markets and sell more of Ontario-grown-and-raised food around the world.

Our government's goal is straightforward: We want to protect Ontario's food independence. Simply put, it's our ability to raise and grow the food for Ontario to consume and for the world to enjoy. That starts with ensuring Ontario's farmland remains locally owned. Taking proactive measures to ensure Ontario's farmland is not treated like some line item on overseas company's balance sheet, but actively producing food every day for the benefit of the people of Ontario and the benefit of communities around the world, is critical.

Currently, five other provinces have legislation in place that restricts foreign ownership of farmland, including Manitoba, Quebec, Saskatchewan, Alberta and PEI. Several states—I believe 29 states—have similar protections in place as well. As part of this bill, we're proposing the Farmland Security Act, to establish a framework—a foundation, if you will—that would allow Ontario to do the same. The proposed Farmland Security Act would be enabling in nature. If passed, it would establish the legal framework, while the detailed rules would be developed in future regulations.

This is a thoughtful, forward-looking approach. It would take effect once the regulatory framework is complete, and would apply to farmland acquisitions from that time onward. This means that once the regulation is in place and the act is in force, anyone buying or acquiring farmland in this province, either directly or indirectly, would need to comply with the act. Without confirmation, the land transfer registration would not be able to proceed.

For clarity, the restrictions would not apply to Canadian citizens or our permanent residents. Regulations would clarify how this applies to corporations, partnerships and other entities. And most importantly, we're hearing from communities that might be impacted from this. That's why we're here in Chatham and communities across the province in this committee.

I want to be clear: The proposed act would not impact existing farmland owners. Our ministry recognizes there would be many situations where allowing the acquisition of farmland may be in Ontario's best interest; that's why the proposed act would provide a process to request approval where there is clear benefit to the province.

The proposed act also sets out a framework needed to support administration and enforcement. This includes provisions related to the collection and use of information, as well as inspections, investigations and compliance. Like any piece of legislation of this nature, it sets out offences under the act and associated penalties. If passed, the proposed act would allow the province to issue orders to prevent unlawful acquisition of farmland or require farmland to be sold or divested if it was obtained in contravention of the act.

1010

We've taken a thoughtful approach to developing this proposed legislation and hearing directly from farmers, stakeholders and people across Ontario, who have had an important part of this process. We've invited public feedback on proposed legislation and implementation for considerations to help inform the development of future regulations. We proposed the Farmland Security Act on the Ontario Regulatory Registry from April 22 to May 22. During this time, we received 30 submissions from the public across Ontario. As we move forward, we'll continue listening and considering different perspectives from you, our trusted advisers, as we understand the importance of getting it right.

Another way our province is strengthening Ontario's agri-food sector is through the Grow Ontario Strategy, first launched when I was parliamentary assistant to that minister in 2022. As the strategy approaches its midway point in 2027, this is the right time to take stock for progress, build on what's working, and make sure we're responding to the challenges and opportunities faced by our sector presently. As we continue to face global economic uncertainty in the ongoing threat of US tariffs, it's more important than ever that we strengthen Ontario's food supply chains, increase domestic food production and help our farmers and food businesses remain globally competitive.

This spring, we brought together more than 200 farmers, processors, industry leaders and agri-food partners at the Grow Ontario Food Summit in Guelph to hear directly from the people who know the sector best and help shape the next chapter of this strategy. A refreshed strategy will help build on the vision of protecting Ontario's food independence and support our government's plan to protect Ontario by strengthening the resilience, competitiveness and long-term success of the sector. It will further our commitment to strengthen the entire agri-food value chain from inputs and food production to processing and exports, helping Ontario's businesses respond to global uncertainty, expand into new markets, reducing our reliance on unpredictable international trade while continuing to remove barriers to food growth, supporting value-added processing, creating good jobs and producing more food right here in Ontario.

It's a real privilege and honour to showcase Ontario's food-production strength to communities and businesses around the world in places like I've been to in Dubai, at the Gulfood show, probably the world's foremost and largest food-production, food-producer and food exposition. People from all around the world want what Ontario grows and makes. They see me walking the floor, talking to food producers, to importers and exporters. They see that trillium on my vest, and they say, "We want what Ontario grows." Because it's safe; it's trusted. It's part of that food security benefit we can offer the world.

We'll also focus on expanding trade, driving innovation, improving productivity and attracting a skilled workforce needed to help Ontario remain a global leader. By updating our Grow Ontario Strategy, we'll have a guide for future success where our government remains committed to helping protect Ontario's economy, strengthen food security and ensure farmers from around Ontario have the tools they need to succeed in a very uncertain world.

In addition to updating the Grow Ontario Strategy, our government is unlocking new opportunities for agriculture in the north by making it easier to access crown land in the Great Clay Belt and beyond. This initiative and a partnership with the Ministry of Northern Economic Development and Growth and the Ministry of Natural Resources will help unlock the agriculture potential in northern communities across Ontario, creating new opportunities for farmers, attracting key investment to support long-term growth across the sector.

We'll simplify the rules, establish guidance and create—it's my dream—a one-window approach for contact to help applicants navigate the complex world of permits and processes across communities to strengthen the agricultural sector. There's nothing that people want to hear more than something funny the lawmakers may say: "We're the government. We're here to help." If you're a farmer looking to clear land in Timmins or in Timiskaming or communities across Ontario, you're saying, "We need help."

Ontario's Ministry of Agriculture, Food and Agribusiness truly wants to be that one window that says, "Start here. Look for permits, applications and processes. We will guide you, in partnership with partner ministries, to get you the results you need to clear the land, drain the land, add mineral value to it, and start producing the food in communities where maybe we've not produced food historically."

We seek to simplify the rules, establish guidance and, again, that one-window approach to help people produce food everywhere in Ontario.

By responsibly expanding opportunities for agriculture in the north, we're helping protect Ontario's food supply, strengthen our economy and build a more self-reliant province for generations to come.

One of the proposals in Bill 109 comes directly from the Beef Farmers of Ontario, who asked our government to update how licence fees are collected under the Beef Cattle Marketing Act. The fees support promotional marketing, food safety, research development and that global reach to help beef farmers who sell live animals to processors operate every day. It's complex work. It's filled with risk and these are families that are putting their money and their investment on the line to feed the world.

Some beef farmers process some or all of their own cattle. In those cases, the licence fees aren't currently collected. This creates a gap and unfair advantages within a system. It's already complex enough. This bill levels the playing field. That advice has been sought out through producers across Ontario and there is strong support across Ontario.

If passed, the proposed changes here in this component will help close this gap by ensuring licensing fees are collected more consistently and fairly across the sector. We will create a personal use exemption, of course, so farmers can continue to process up to two heads of cattle for their personal immediate family's use.

We are also proposing to remove outdated requirements, including the requirement for processors to register within the ministry when purchasing cattle based on carcass weight.

Together, these proposed changes would improve fairness, reduce unnecessary red tape and make legislation work better for all of Ontario's beef sector.

Some of these proposals may seem more technical in nature. This is why we want the voices of the people that have the technical expertise in our communities to be here, to our committee of the interior, to provide their input.

Another proposal of the bill would bring together two adjudicative bodies—quasi-judicial bodies—to basically hear and resolve complaints from communities to the sector. They perform similar functions currently, and now our proposed legislation would have them streamlined into one single organization called the Agriculture and Agri-Food Protection Tribunal.

If passed, this change would transfer the responsibilities of the Normal Farm Practices Protection Board to the new tribunal by amending the Farming and Food Production Protection Act. For farmers and property owners, that means a simpler, more streamlined process with more consistent service, improved digital tools and easier navigation in a single set of rules.

It also supports our government's commitment to modernize all public services, reduce duplication and make it easier for communities across Ontario to access the services they demand and they rely on.

1020

In the bill, another proposal would update the definition of a regulated product under the Milk Act to reflect today's dairy industry, including products made with ingredients such as milk protein concentrates—again, highly technical language that the industry knows very well, that communities may want more awareness of. In sum, it creates a level playing field across the sector and modernizes the act, bringing it back into modern terms for global competitiveness. It means no matter how a dairy product is made, whether it's with milk, dairy ingredients or a combination of both, the same pricing rules will apply. This helps, again, create a level playing field for processers and supports the supply management system. The proposed changes would also provide the bill authority, through the future regulations, for the Dairy Farmers of Ontario to help those pricing rules to make sure they're applied consistently and fairly across the sector.

We're also proposing to modernize Ontario's dairy regulatory framework by moving food safety requirements for milk and milk products under the Food Safety and Quality Act. If you're a dairy farmer, you know what that means. There may be members of this committee who know exactly what that means. To the public, we want to bring that sense of trust, sense of fairness so everyone understands that we have a level playing field to produce the very best milk and very best dairy products for Ontario and the world to enjoy.

Today, some of those responsibilities sit with the Ontario Farm Products Marketing Commission, whose primary role is marketing, not really food safety. Bringing dairy food safety under one legislative framework will align it with other food sectors and create a more consistent approach across the industry. It would also bring milk from cows, goats, sheep and even water buffalo under the same regulatory framework, ensuring consistent requirements for dairy producers and processors across Ontario. At the end of the day, these proposed changes are about protecting the high standards that we expect, supporting confidence in our dairy sector and ensuring Ontario continues to produce the safest, highest-quality dairy products in the world.

Another important part of our work is proposed amendments to the Veterinary Professionals Act. The last couple of years, we've been working with the College of Veterinarians of Ontario to identify opportunities to modernize legislation and ensure it continues to meet the needs of a growing, modern and evolving profession.

The Acting Chair (Mr. Andrew Dowie): One minute left, Minister.

Hon. Trevor Jones: If passed, the proposed changes would make the rules clearer, strengthen how the profession is regulated and provide greater flexibility in how veterinary services are delivered.

I'll try to sum up 13 or 14 very highly technical components and one food and farm-use component of the bill this way: Food security is national security. We've heard this in a very non-partisan way in the Legislature and in communities across Ontario. This legislation reflects exactly that: things we've been hearing in communities from farmers, from food producers and processors, and people who work in those supply chains saying, "Make it clear. Make it fair. Embed innovation, and make it attainable."

So, Mr. Chair, thank you for the opportunity to summarize a few very highly technical components in a bundle that makes food security front and centre.

The Acting Chair (Mr. Andrew Dowie): Thank you, Minister. We will now begin the round of questions, which will be divided into two rounds of 6.5 minutes each for the government, the official opposition and the third party.

The next round of questions will start with the government. MPP Pinsonneault, the floor is yours.

Mr. Steve Pinsonneault: Thank you, Minister, for being here. I must say, it is an honour to share this beautiful community of Chatham-Kent with you. Given the makeup of our two ridings which butt up to each other, how agricultural it is, and agri-food, you're in the right role. I think this is right in your wheelhouse.

My question is, we've heard a lot about global economic uncertainty and tariff pressure on Ontario's agricultural sector. Could you speak on why this legislation is needed now and how it fits into the government's broader plan to build a more competitive and self-reliant economy?

Hon. Trevor Jones: Thank you for the question. It truly is a privilege to share this committee with you because this is the heartbeat of Ontario agriculture. This past weekend, you know that I shared in community festivities at the Chatham-Kent plowing match. This brought together people that have traditions in common.

But the conversations here at the plowing match, throughout Chatham and throughout Ontario, is about our economy. We heard that at the doors of 2025. We came to our communities and asked for their support and what I heard was one in nine jobs in Ontario relies on agriculture and agribusiness. We're at $53 billion of our GDP. That's the biggest component of our economy.

If we can support agriculture, we can support diversification, we can support innovation, research and trade while protecting our economy. We're keeping good-paying jobs in Chatham-Kent, in Timiskaming–Cochrane, throughout Ottawa, eastern Ontario, northwestern Ontario and in the GTHA because agribusiness knows no bounds. We may have dairy farms that produce the best milk in Timiskaming–Cochrane but that milk might be produced at a facility in eastern Ontario or might be in the GTHA, and that goes to communities around Ontario.

With uncertainty, business craves certainty. Business craves investment. Our government's approach, and collectively, every lawmaker in Ontario has to come together in a non-partisan way to say, "Let's protect Ontario with commons sense, real approaches to innovation, attract real investments from the private sector and beyond to shore up and make us stronger, make our products more competitive, safer, better, more nutritious, more delicious for the world and Ontario to enjoy." Thank you.

Mr. Steve Pinsonneault: That's awesome, Minister. Thanks for being here, again. I appreciate it.

The Acting Chair (Mr. Andrew Dowie): MPP Vickers, the floor is yours.

MPP Paul Vickers: I also want to thank the minister. This is our third stop in the tour. We've been up to Timmins and over to Smiths Falls and now into Chatham. Chatham really is a food belt down here. Between the great looking crops that I've seen as I drove in yesterday, with the soybeans and the seed corn, and also the greenhouses. It's really fitting that we're taking time to spend some time with the people here in Chatham.

My question, Minister, is about foreign ownership. Foreign ownership is an issue that's very near and dear to the agricultural community's heart. A lot of the primary producers feel that ownership of the land is very important to them and should remain in the ownership of Canadians and of people of Ontario. Can you explain why these measures are necessary and what it means to the local farmers and the young people who want to get into farming, hoping that this is their toehold in?

Hon. Trevor Jones: Thank you, MPP Vickers. One of the privileges and honours of serving as Ontario's Minister of Agriculture is I get to advocate around Ontario—again, on farms, in greenhouses, in state-of-the-art processing facilities—and I hear perspectives from average people. The other component is I get to hear perspectives from lawmakers around Ontario and around the world.

One thing I was asked as minister—it's humbling and it's daunting, because as the leader for growing Ontario's capacity to build our economy, to build a food processing and production network, I have the choice to take action or not to take action. When farming communities talk at kitchen tables and in communities across Ontario about a thousand-acre farm over the coffee shop talk—I'm sure members across the province have heard this—"Who bought that farm?" Well, no one knew. If you find out that it's a foreign investment company from abroad that's looking to improve their ledger—maybe hold their bank land and value it over time and maybe sell it, maybe produce food on it, maybe rent it back to a farmer, maybe not. So, I started asking questions. I said, what do we have as far as a—do we have a tool?

1030

The Acting Chair (Mr. Andrew Dowie): One minute left.

Hon. Trevor Jones: Do we have a clear number of who owns all of Ontario's farmland? What I found was we have a patchwork of information. Some of that information is held locally, some of it, we don't know. Our opportunity is to take action now to make sure that we have the infrastructure built, the foundation to know who owns Ontario's farmland and make sure it stays in production so the next generation of farmers can afford it, can access it and grow and raise food on it.

MPP Paul Vickers: Thank you, Minister Jones, for that answer. I think it is important, and that's what I hear that it is, that other people think that it's important that we make sure that we help protect and make sure that the future farmers are able to grab hold of that land and to make good decisions with. Thank you for your leadership.

The Acting Chair (Mr. Andrew Dowie): That will conclude the government's time.

We will move to the official opposition: MPP Vanthof, go ahead.

Mr. John Vanthof: Thank you for being here, Minister, and thank you for holding a meeting—whoever organized it—in Chatham. It truly is humbling—I drove yesterday from Timiskaming and took the bus from Toronto—to see that much agriculture. It truly is.

I would like to start by also thanking you for making this an independent piece of agriculture legislation because there's no poison pills in this and as a result, we're going to have a much more fulsome discussion of what we should be talking about, and that's why this bill sailed through the House on second reading and that's why we're going to have a really good discussion because it's on one of the most important issues in the province and that's why we fully support it in second reading and see no reason why we won't fully support it on third.

I'd like to start on the foreign ownership piece. Actually, I listened intently to your opening remarks and you said something that twinged me a bit. You said that it should be—and I'm paraphrasing—but that land should be controlled in Ontario and not just be a line on a balance sheet of a foreign company, and I fully agree.

My question is: Is there any difference between being a line on a balance sheet in a foreign company or being a line on a balance sheet of a hedge fund or pension fund regardless of who it's controlled by? Because in my part of the world, it's hedge funds and pension funds that are gobbling up the land, not always foreign companies. So why the focus on foreign? Is the ministry looking at the other part or just using foreign as the—because it's not just foreign companies, and I would contest that a hedge fund, regardless of who controls it, would have no closer ties to the land whether it's foreign or domestic.

Hon. Trevor Jones: Thank you, MPP Vanthof. I was also impressed when I travelled through your community. I met with you and I met with farmers and food producers and I heard this. I think we have to first take stock in what we have, and that's what we've heard because we didn't have the infrastructure built to know who owns what.

We have to first understand that food and our ability to produce and raise food is also tied to influence. We want to hope that our lawmakers at the municipal level, provincial and federal levels have their constituents' or residents' interests first-hand—they've heard from them and that's democracy. We have to first trust in ourselves. I would argue that if Ontario and Canadians owned our food production land, it will have the best interests.

The first line of defence really is local municipally elected politicians and lawmakers because we have agriculture impact assessments in place and that's the line of first defence. I think MPP Vanthof knows my first foray into any sort of elected or appointed office was the committee of adjustment. It might, in some regards, be the most boring committee ever because it looks at land use, minor variances, zoning bylaw amendments, but essentially it's land use. What is land used for? We have to first keep those decisions locally—keep those decisions based in companies and individuals that are rooted in Canadian and Ontario interests. I know that land use is still measured and it's evaluated locally, provincially and of course there's some federal input as well.

But you can't help but be influenced when you drive through places like Chatham-Kent and Leamington. You can't help but be influenced by the corn, the beans, the tomatoes and the greenhouses—

Mr. John Vanthof: If I could now, sir—and I agree with everything you said, except that this bill is not actually local, talking about foreign ownership.

But again, the crux of my question is, is there really a difference between institutional ownership of the land, regardless of whether it's foreign or domestic, or actual ownership of the land of the people who farm the land?

I'm not anti-big farm. I have farmers with 10,000 to 20,000 acres. It's no problem with me, but when a hedge fund controls that land and when a hedge fund decides to dump that land—which has, you know, in Saskatchewan, the farm went broke with 257,000 acres, right? So is the question whether it's institutional ownership? Is that a bigger question than whether it's foreign or not? Because I think people who want to get around those rules will.

The Acting Chair (Mr. Andrew Dowie): One minute left.

Hon. Trevor Jones: My biggest concern was that decisions and ownership are Canadian, and we don't know—we're hearing now from communities and through this committee whether it's the size of the land, the value of the land or the type of activity. As long as it stays in the hands of food production.

I would say that if you're an institutional investor, you're Canadian content, you know that food production is paramount. Food production is central. I think if we have that controllership in Canadian hands, we safeguard that against foreign interests that might be against our own.

The Acting Chair (Mr. Andrew Dowie): You've got 25 seconds.

Mr. John Vanthof: All right. Thank you, Minister.

The Acting Chair (Mr. Andrew Dowie): The next round of questions will go to the third party. MPP McCrimmon, the floor is yours.

Mrs. Karen McCrimmon: I, too, would like to say my thanks to the minister and his team and my colleagues all for being here, and all of our colleagues who organized this wonderful stop in Chatham. I went for a nice, long walk, and there's so much potential here. I'm really glad that Chatham has decided to do this. It takes a lot of courage, and I really want to congratulate them for finding that courage to do what they've done here in their downtown. It's wonderful.

I'm going to carry on with my colleague from Timiskaming–Cochrane's question about foreign ownership. I think the idea of identifying beneficial ownership is really important, and it's something that I don't think Canada has always done very well. There have been gaps in that. So, how do we fill those gaps, and how do we make sure that the people who want to come to Canada and want to farm actually have that opportunity?

Hon. Trevor Jones: Thank you, MPP McCrimmon. That's a brilliant question; I appreciate that. I also appreciated your attention to detail in your debate in the Legislature about Bill 109 and your contributions, because I know that parts of your communities are affected by this. We have a rich farming tradition in the Ottawa Valley and Ottawa area, so thank you.

Ontario and Canada always want to attract people that fill a need for what we need. If you look back at our history, a number of families came and settled in Ontario from the Netherlands—either post-World War II or afterward, they came here with a vision. Most of the land is actually under sea level—a very small, arable portion of the land that produces a lot of food for Europe, and those farming families brought that tradition here. We want to continue that tradition.

This bill proposes nothing against permanent residents or Canadians. So, if you're from anywhere in Canada or you want to come here with a vision to invest—become a permanent resident, from the Netherlands or from anywhere else in the world. You want to be a food producer or a farmer, you want to invest here—take those necessary steps. We'll embrace you. We want to be that one window of opportunity to help you navigate that complex process of permitting and processes, and say, "Come here. Invest. Produce the best food, the most safe and trusted food for the world. Come here from around the world and do that." Just like we want foreign-trained engineers and doctors and nurses to come here and to apply their trade here, we'll invite the best of the world to come here to produce the best food.

1040

Mrs. Karen McCrimmon: Awesome. Thank you.

Question: In my riding, I have quite a few dairy farms. Now, changes to the Milk Act, they're always a bit controversial—

Interjection.

Mrs. Karen McCrimmon: I know—and there are always pros and cons.

We all know that to meet the demands of our time, of our day, changes are required. I know there was some opposition to this. Can you explain how you made sure that you got the information from everyone, pro and con, to come up with the best changes for the Milk Act?

Hon. Trevor Jones: Thank you, again. This delves into the more technical components of the act, and so we want to hear from the producers, from the processors big and small to make sure we get this right. I would argue that this committee process is part of that refinement, because we haven't landed on the final regulation yet, or the final component; we're still improving that.

But what it takes into consideration is the whey, the protein, and all those milk ingredients that can be separated and used for further value-added cheeses, cottage cheeses, different products that we enjoy every day. It takes those into consideration, because a processor, big or small, could play the market a little bit and buy and sell different components and really skirt some of those regulations that lock in what the minimum pricing should be. So, to have a level playing field, it says processors big and small pay the same amount across Ontario for those components and those proteins and those ingredients that go into the making the value-added products. We won't make everyone happy, but we want a fair and equitable and modern system that says, "Take this highly competitive world; make no loopholes, no grey areas."

We've heard the fact that the farms are bigger. A dairy farmer may choose to sell his or her quota; another farmer pulls in that quota, purchases that quota and makes a bigger farm. Maybe my officials and my colleagues would correct me; I think there are somewhere around 48,000 farms in Ontario.

The Acting Chair (Mr. Andrew Dowie): One minute left, Minister.

Hon. Trevor Jones: But only a few years ago, there were more, and the same is with dairy farms. Dairy farmers want the very best; we want those fair processes, fair ingredient composition to come out of those dairy farms as milk producers, to say that those components have the same way of application as a further-on to our value-added products.

Mrs. Karen McCrimmon: I'm fine, Chair. Thank you.

The Acting Chair (Mr. Andrew Dowie): Thank you.

We will move back to the government side. MPP Rosenberg, the floor is yours.

MPP Bill Rosenberg: Thank you, Minister. I want to thank you for being here today, also. Being from the north, I don't get a chance to come down here much, but I always see the twinkle in your eye when you talk about Chatham-Kent. Like MPP Vickers, driving in and seeing the crops and seeing the bean crops—they're great crops, so I can see why you like this area.

As we continue to protect Ontario's food supply, there are new pressures facing the agricultural sector, both globally and here. Can you speak on the Grow Ontario Strategy and how it helps ensure our agriculture sector stays strong and competitive for years to come?

Hon. Trevor Jones: Thank you, MPP Rosenberg. I had the chance—as parliamentary assistant to the Minister of Agriculture, Food and Rural Affairs at the time—to launch this strategy. As a newly elected MPP and a new parliamentary assistant, it was my job to ask those questions, and the team got together and said, we need one overarching strategy, one vision that's laser-focused on bringing us up, and realizing that now, a $53-billion component of our GDP is realized.

Because the world is competitive, and I've heard from farmers across Ontario and greenhouse growers and livestock producers that one golden rule always applies: The low-cost, high-efficient producer will always win. We're up against challenges across the world where there are low-cost, efficient jurisdictions around the world that are kind of eating away at that competitive advantage. So we have to now laser-focus and bring our best and brightest from our lawmakers, our producers, academics and researchers, inventors and investors, to come together and say, "How do we grow Ontario? What is our winning proposition?"

One of the questions we have to ask ourselves—primarily farmers, farming business; as you know, my long career in public service, my foray into agriculture, and now as an elected member and advocate—it's people business. The business is about people. And so, Grow Ontario talks about growing great crops and making great foods and raising great animals, but it also involves investments in those people. If we don't grow the people—if we don't train and attract and retain the best people—we're going to lose that edge to other jurisdictions, and we'll get people who don't think about, when they're young and in school, looking at a job in agribusiness.

So it's our job to market that, to invest in it, to make sure the curriculum across especially post-secondary institutions is laser-focused to allow those people to realize those opportunities, to want to question themselves and question their communities: "What jobs are here?" How can a young person born and raised and living in Chatham-Kent say, "I'm going to get educated. I'm going to take a diploma program or an apprenticeship or a degree program, and I have a job waiting for me to raise my family in Chatham-Kent"?

The families I've talked to in Timiskaming–Cochrane—you think it's the other side of the map; their communities and young people are just like ours. Their families have the same questions: What jobs are there for young people to, first of all, get trained in, and then realize a good income and a good life and a long horizon in their communities? I'd argue those jobs are in agribusiness.

The Grow Ontario strategy is very people-focused, but also realizes that trade is very competitive. In 2022, we weren't talking about tariffs and very protectionist measures. We kind of had an open world. You look at the map of Ontario and you notice two things, very interestingly: that area of northeastern Ontario, across that imaginary border of Quebec and Ontario—the Quebec side has very green, vibrant agribusinesses, farms, livestock, production facilities right across that imaginary line. In Ontario, it's kind of like mixed-use, forestry, scrubland. All the potential is still in that land, so we're investing in that land.

And then you look at those networks of trade. The networks of trade in Ontario, almost all of them, go north and south. Those beautiful interstate highways that take Ontario-made-and-produced food go north and south because—like, Europe has that ability to move food east and west, north and south to 300 million people. In Ontario, our 16 million people have the opportunity to trade with 200 million people this side of the Mississippi along the eastern seaboard, and cities as far as New York all the way down to Florida. So our agribusinesses and our producers are used to and are very efficient at trading north and south.

The Acting Chair (Mr. Andrew Dowie): One minute, Minister.

Hon. Trevor Jones: All of a sudden, 2022 isn't 2026. That network is potentially disrupted. Our food producers are disrupted, and they're saying, "What if there are tariffs applied to my products? Where do they go?" So now we have to concurrently look at north and south, maintaining those relationships with our allies, our customers, our family and friends north and south, and saying, "How can we get our stuff across the Atlantic to markets in Europe and Asia and beyond?" That's part of our job, and that's one of many things Grow Ontario looks at.

MPP Bill Rosenberg: Thank you, Minister.

Mr. Rudy Cuzzetto: How much time?

The Acting Chair (Mr. Andrew Dowie): We've got 20 seconds.

Mr. Rudy Cuzzetto: Just real quick—thank you, Chair, and thank you, Minister. I was listening to John when he was saying that when we were driving from Toronto, all that farmland—and it's true: As soon as we get out of Mississauga, I see thousands of acres of farmland. It's great that we have so much farmland in Ontario, that we can produce our vegetables and whatever we have to produce—

The Acting Chair (Mr. Andrew Dowie): That concludes the government side.

We'll move on to MPP Vanthof. Go ahead.

1050

Mr. John Vanthof: Thank you, Minister, for bringing up that picture, the line between Ontario and Quebec, northern Ontario and northern Quebec. If you really want to know the history for that—why there's so much farmland in northern Quebec to be developed—it's because there was a subsidy of $400 per calf for beef cows. So that's why they cleared the land up there. That's why individuals cleared it. And why our side is more forestry. A lot of fibre from our side goes to the Quebec side, because they cleared the Quebec side. There is lots of potential for agriculture in northern Ontario—lots of it. But that's kind of the history. So if it pays to do it, it will be done.

You brought it up, Minister: We're as far as we can be from northern Ontario.

I agree that the process to access crown land should be modernized, simplified, one-stop. I get that. There are farmers who have applied for a crown lot next to them for years and years and years and it doesn't happen—100%. But we have to decide as we do this, again, who has access to this crown land, because if crown land is bought up by institutional investors, it's a public resource going to, basically, a speculator. There is a difference. So again, in your process to look over simplifying, modernizing, how farmland is sold, is there any thought given on who is going to end up with that land long-term?

Hon. Trevor Jones: Thank you. It's an important question, and there is. That's why the first conversations have to happen interministerially. We've looked at that history, like you described. You painted the perfect picture of why, on one side of an imaginary line, the land looks like this: deep government investment, cultural and community investment, to make that land.

To bring three things I learned in the north: C, L and D.

It's "confidence" to attract that investment; the confidence for someone—a smaller or larger farm—to say, "I can do something. I can raise cattle. I can have a dairy farm. I can grow crops. I have the ability to do that, and to balance that balance sheet at the end of the year and actually make money for our family."

L stands for "lime," or the minerals, because there's a mineral content that needs to be added to that land in that deep Clay Belt because it is very productive. It needs some help to move it along.

And of course, "drainage." You drain that land and make sure it's profitable and it's productive.

More than that though, who owns what? So if we have that confidence, we have that development, you can start with my Ministry of Agriculture and say, "How do we begin?" Ask those questions; we've sorted that out. We've worked with our stakeholders internally to say that other ministries may have different visions. The Ministry of Natural Resources may have thought—and it's probably a very good point—to say there's a future of forestry harvest there. But if that's not realized, and that's now a competing priority, what is our greatest opportunity for success? It's probably agriculture.

Mr. John Vanthof: I fully agree. I would put the D for "drainage" at the top. Without drainage in northern Ontario, we're lost.

But yes, there is a fine balancing act and there is lots of opportunity in northern Ontario. As long as we don't make the idea that for a paved-over acre in Chatham, we have to clear two acres for northern Ontario and that will equate, because it won't.

In eastern Ontario right now, 11 of your colleagues wrote a letter or statement regarding—I saw, when we went to Smiths Falls, lots of anti-Alto signs. Their contention—I kind of agree—is that there isn't a good enough consultation process for rural areas on farmland protection. Would you agree that the consultation process right now isn't—I know we have agriculture impact assessments. It's mandatory to do them, but not mandatory to live by them. So do we have a process strong enough in this province, when big projects are proposed, to take the voice of agriculture into account?

Hon. Trevor Jones: This is a huge project; it's a huge proposal. It's a federal proposal to bring high-speed passenger traffic between very important parts of our central urban communities and move people quicker. We don't have that.

You look at the difference between jurisdictions like Japan or Europe. You jump on a train, and it's reliable. It's fast. It gets you there. It also gets products there fast.

The Acting Chair (Mr. Andrew Dowie): One minute left.

Hon. Trevor Jones: I think the consultations are critical, and right now is probably the best moment in time to say, "Push back a little bit. Take a pause." Let our local elected officials and local communities weigh in.

Mr. John Vanthof: I agree, but is the process—and not just for Alto, but for big, provincially oriented projects—strong enough in Ontario to protect farmland? Because in the end, this bill is trying to protect security of agriculture, but the security of agriculture is security of farmland. Is the process strong enough? Your colleagues obviously don't think it is for Alto. Is it for the 413? Is it for the project in St. Thomas? Is it for what's happening in Waterloo? Do we really have a process in place to protect farmland?

Hon. Trevor Jones: We have a great process in place. It's my aspirational goal to give it more teeth.

I think we've talked about this in the Legislature. Agriculture impact assessments are that first line of defence so that democratically elected municipal representatives, provincial representatives take that mandate to the public.

The Acting Chair (Mr. Andrew Dowie): That concludes the time of the official opposition.

MPP McCrimmon, the floor is yours.

Mrs. Karen McCrimmon: Minister, you've used the language "level the playing field" quite a few times in your presentation. How are we going to level the playing field to make sure that small independent farmers actually realize the advantages of this legislation rather than the large corporate or industrial farms?

Hon. Trevor Jones: That's a great point. I want to be very careful with the language. If you look at the language, I was very careful and very deliberate in saying this bill will protect Ontario's food independence. "Independence" means farms large and small. I think earlier, I also said we want to level the playing field and make sure that processes are in place, especially for dairy end-use components—things like that. That's levelling the playing field.

Farms are getting bigger because equipment is getting bigger. Equipment is getting more efficient, and we're investing in innovation technology to make sure we can compete globally. So when equipment on a farm one generation ago had no real artificial intelligence component, very little GPS or GIS inclusion, now it's almost standard operating procedure that every farm, big and small, has some adaptation of technology. That's part about getting big and getting bigger.

But farms also have to realize that sustainable component. A farm—and it's maybe 100 acres in southwest Ontario—and its very well-drained, very nutrient-rich soil can grow broccoli, tomatoes, field peppers, a variety of different things that you can't do up north. You look at farms across the prairies; a small family farm might be 1,000 acres. I've seen farms that are 25,000 acres, where I asked the farmer, "When was the last time you saw all of your farm?" It's over the course of the season that that farming family sees their farm.

So scale is important because scale is efficiency. That's also equipment and innovation, but we're looking at long-term sustainability and at that access point to farms. If a farmer wants to sell their farm, a 100-acre farm at any point in Ontario might not sustain, because of the investments required, the input costs and the price point of the finished good—what that might realize—so farms will get bigger. I think at a moment in time, if we say we have about 48,000 farms in Ontario right now, I'd argue that in four or five years, we'll have less than that.

Farming input is important. I think me and MPP Vanthof often look around the Legislature. We see 124 seats, and 50 years ago, we may have seen 50% of those seats come from farming families and people that have a direct impact on food production. Now, I think we've argued it might be 12 or 13 people that have a direct access point to farm experience, farm production.

As farms change, composition technology changes. Again, our greenhouses here in southwestern Ontario start at about 100 acres of renewed build. Only one generation ago, 10 or 15 acres could support a family farm.

1100

Mrs. Karen McCrimmon: Yes. But, Minister, that's exactly my point. I'm afraid that this will lead to a reduction. We want more people exposed to agriculture and the farming life. Look at the small communities that support our farmers. If we're corporatizing and industrializing our farms, we're going to lose that. So that's just my point.

I can't argue with what you have to say, but you need to find a balance and I'm not sure I see it here. There are some good ideas—but here's the point: I know all my colleagues, like I did, met with the Beef Farmers of Ontario when they came to the Legislature. Their number one ask was the breeder loan program. I can't see the risk. I mean, I'm a risk assessment kind of person. I look at what they're suggesting as a program—it's not expensive—and actually, the potential is significant.

Why can't we move that breeder loan program along and get it in legislation?

Hon. Trevor Jones: That's something we're working toward. That's a goal we're working toward. We want to make sure we do capture all the voices across the sector.

Just as you mentioned, why is the composition and size of food and food production changing? Because of the world we live in—it's a highly competitive, efficient world. But I would say that the words "institution" and "corporatization" are not synonymous with something that's bad or evil.

The Acting Chair (Mr. Andrew Dowie): One minute.

Hon. Trevor Jones: Because public money and public investments—whether it's a pension plan, an investment bank that says, "I want to invest in agriculture"—as long as they're investing in sustainable agriculture, I would say that's a good reward and a good return on that investment, because it preserves our ability to raise and grow our own food.

The beef loan programs and the livestock programs—again, that's one component, but it goes back to education. Let's educate people on opportunities, on awareness of where food comes from, how food is grown and raised. If we start at a young age and go further ahead, people have more understanding; beef farms get bigger.

The value of land in Ontario is far different than that in, say, our Prairie provinces. I heard, while I was recently in Alberta, that there's a record sale of land. I think it reached $3,000 an acre. Land in Ontario, southwestern Ontario especially, is easily $30,000 an acre, $50,000 an acre, so you're less able to graze and raise cattle. So again—

The Acting Chair (Mr. Andrew Dowie): And that concludes our time. Thank you so much, Minister.

MS. KRISTINE HAYES
EGG FARMERS OF ONTARIO

The Acting Chair (Mr. Andrew Dowie): We will now move on to the next group of panel presenters. I will call on Kristine Hayes, and Scott Helps of the Egg Farmers of Ontario.

First, we'll start with Kristine Hayes. You'll have seven minutes for your presentation. Please state your name for Hansard, and you may begin. Just so you know, I will have a verbal reminder to notify you when you have one minute left for your presentation or your allotted speaking time—and that goes for Mr. Helps as well, once you are giving your presentation following Ms. Hayes.

Ms. Kristine Hayes: Good morning. Thank you for the opportunity to appear before the committee. My name is Kristine Hayes and I'm one of the owners at Shaw's Ice Cream, an Ontario dairy processor located in Tillsonburg. I'm here today to speak specifically about schedule 5 of Bill 109 and the proposed amendments to the Milk Act.

My perspective is that of a business owner who has spent more than two decades building and growing a food manufacturing company in Ontario. I understand and respect the need for regulation, strong standards and the necessity to protect consumers, employees, farmers and the integrity of our food system. My concern is with the cumulative burden of regulation and the unintended consequences that can occur when regulatory authority is expanded without considering the total burden already carried by businesses. An inspection, licence, registration or reporting requirement may seem reasonable on its own, but businesses don't experience these requirements individually; we experience them all at once.

When my sisters and I purchased Shaw's Ice Cream in 2001, we were buying a shuttered ice cream company, although in its past it had been a pillar of the community. We weren't regulatory experts; we were entrepreneurs trying to make a good product, find customers, pay our bills and grow. We quickly learned that dairy is an exceptionally complex industry, with supply management, milk classes, pricing structures, and licensing and reporting requirements. All these take considerable time and expertise to understand.

Twenty-five years later, we manufacture millions of units of ice cream annually and employ approximately 100 people. Having lived through the growth and breathing life into the company, I can tell you that scaling a manufacturing company is extraordinarily difficult. As you grow, you need increasingly sophisticated systems for food safety, occupational health and safety, human resources, employment standards, taxation, licensing and financial reporting. Many of these requirements are entirely reasonable, but according to Innovation, Science and Economic Development Canada and their key small-business statistics from 2025, approximately 98% of Canadian employer businesses are small businesses. Only about 1.5% are medium-sized. Among goods-producing small businesses, only about half are still operating after 10 years.

We spend a considerable amount of effort encouraging people to start businesses, and I believe we need to spend just as much time asking what it takes for that Ontario company to grow from a $1-million-revenue business to one that can earn $10 million in revenue, because these are the companies that eventually build the factories, buy the equipment and employ the people around us.

Statistics Canada has studied what it calls “regulatory accumulation,” recognizing that the issue is not necessarily one regulation, but accumulated costs of paperwork, navigating the rules and complying with requirements across governments over time.

That brings me to schedule 5. What caught my attention was the potential expansion of the regulatory perimeter. Under the existing Milk Act, a regulated product is essentially milk, cream or cheese where a plan is enforced. Schedule 5 proposes to change that definition to “milk or milk products, or any class of milk or milk products, in respect of which a plan is enforced.” The definition of “milk product” is broad and includes products such as butter, cheese, milk powder, ice cream, ice cream mix and milk protein concentrate. At the same time, the Milk Act defines “marketing” not only to selling and distributing, but also to buying, processing, storing and transporting.

The Milk Act already provides significant inspection and record-production powers. Bill 109 does not create those powers for the first time; we have to recognize that. But my concern is that schedule 5 potentially expands the products—and, therefore, potentially the businesses, specifically smaller businesses—to which these existing powers could apply.

If milk class products are brought under the plan, how far downstream could that authority potentially extend? Could it extend to a manufacturer that doesn’t purchase raw milk, but purchases milk powder or milk protein concentrate from a distributor? Could it extend to a bakery purchasing butter or a confectionary manufacturer purchasing dairy ingredients? What about the small, independent ice cream shops that are lining the streets these days, purchasing relatively small quantities of cream, probably in bags, and other dairy ingredients to make ice cream for their local community? Could that entrepreneur become subject to additional regulation, reporting or inspect requirements? Perhaps that is not the intention, but if it isn’t the intention, I believe that boundary should be clear.

Shaw’s is established, and if another regulatory obligation is created, I’m going to deal with it. My greater concern is the small company trying to grow. Imagine an Ontario food manufacturer doing that $1 million in sales with 10 employees. The owner may still be involved in production, purchasing—really, all of it. How are they going to become that $10-million company or the $50-million company? Every additional regulatory relationship adds cost and complexity. At some point, the entrepreneur will ask—and I’ve asked this to myself many times—“Do I really want to get bigger?” It’s not a question that we want successful Ontario entrepreneurs asking.

What I’m asking the committee to consider are three things: First, clearly define the regulatory boundary. Businesses should be able to determine whether they are inside or outside the regulated system. Second, require meaningful consultation before additional milk products or classes of businesses are brought into that system.

1110

The Acting Chair (Mr. Andrew Dowie): One more minute.

Ms. Kristine Hayes: Affected businesses should understand why the change is necessary and what obligations will cost. And third, consider cumulative regulatory burden. Don’t simply ask, “Is this requirement reasonable?” Ask, “What else are we already asking these businesses to do?”

Shaw’s began as a small business, and there was nothing inevitable about our growth. It required investment, risk and persistence. Somewhere in Ontario today is another manufacturer starting from humble beginnings. We should be asking ourselves, “What can we do to help them make it to be a medium-sized company?”

Strong regulation and economic growth do not have to be opposing objectives. Good regulation should be necessary, proportionate, understandable and predictable. So my request is simple: Clearly define who needs to be regulated, demonstrate why the expansion is necessary, consult the businesses that will be affected and consider the cumulative burden of adding another layer in an already complex business environment. Ontario has many programs designed to help start businesses—

The Acting Chair (Mr. Andrew Dowie): Thank you very much. That concludes your time.

We’ll move on to Scott Helps, chair of Egg Farmers of Ontario. Go ahead, the floor is yours. You have seven minutes for your presentation. Please state your name for Hansard, and you may begin.

Mr. Scott Helps: Hi. My name is Scott Helps. I’m the chair of Egg Farmers of Ontario. I actually farm just a little bit north of here, about half an hour, in Wyoming with my wife and my four children. A couple of them are full time and a couple of them have other jobs as well.

EFO represents more than 500 egg farmers and pullet growers across the province, accounting for about 40% of Canada's total egg production. Together, Ontario egg farmers produce about 300 million dozen each year and support more than 7,000 good-paying jobs in the province. Our annual egg production includes $900-million farm-sales value and contributes over $2 billion into the economy.

Thank you for the opportunity to present before the standing committee on behalf of our egg and pullet farm families in support of Bill 109, Protecting Ontario's Food Independence Act. Ontario egg farmers support the direction the government is taking with Bill 109. Protecting farmland and strengthening local food production are priorities we share. One of the most important factors for farming—and especially for egg farmers—is stability. Food security is not just about today's supply; it is about ensuring future generations have the land, tools and certainty they need to farm in Ontario.

The Farmland Security Act, 2026, is an important part of that work. Farmland is one of agriculture's most important assets and is the first part of an independent food system. At a time when jurisdictions around the world are facing rising costs, supply chain disruptions and growing pressure on domestic production, Ontario is taking practical steps to support local agriculture and strengthening the province's ability to produce food here at home.

A stable agricultural land base gives farm families the confidence to keep investing in their operations and producing high-quality, locally grown food for Ontario families. In a supply-managed sector like eggs, that stability helps Ontario match local production with local demand without relying on taxpayer support, while supporting rural communities and farm families. Legislation like this sends a clear indication to our farmers that government is prepared to stand with farmers and provide that stability. This provides a stable operating environment that allows us to invest, grow and continue producing food in Ontario for decades to come by passing our operations to our families while also giving new entrants the confidence to invest into a farm.

Egg Farmers of Ontario also supports the government's desire to modernize the Grow Ontario Strategy. As previously mentioned, there is economic instability, rising costs, volatile supply chains across the globe. We need to be nimble with these changes, and updating the strategy to reflect our new realities is both a prudent decision and a practical one. We cannot be on our heels in solving these problems. By setting realistic goals and taking practical, measured steps, we can ensure that Ontario's agri-food sector remains strong despite these challenges. Updating the strategy is an opportunity to strengthen Ontario's food sovereignty, support investment in local processing and supply chains, and ensure Ontario farmers can continue competing and growing for the long-term. Protecting Ontario's agriculture is increasingly tied to protecting Ontario's broader economic security and resilience.

Our message today is straightforward. EFO supports practical steps to protect Ontario farmland, maintain local food production and give farmers confidence in the future of agriculture in this province. It helps our farmers and Ontarians across the province have confidence with food that is on their tables.

Ontario has some of the best egg farmers and food processors in the world. Supporting sectors like egg farming through proposed legislation like this helps ensure the province remains competitive, resilient and capable of feeding itself in the years ahead. Measures that help protect farmland, support domestic production and create greater certainty for farmers are essential to maintaining a strong agricultural sector for future generations.

EFO appreciates the government's continued engagement with the agricultural community and looks forward to working with the ministry and elected officials as Bill 109 and the related regulations move forward. Thank you for your commitment to seek consultation on this proposed legislation and for the opportunity to speak today. Thank you.

The Acting Chair (Mr. Andrew Dowie): Thank you very much.

We will start the next round of questions with the official opposition. MPP Vanthof, the floor is yours.

Mr. John Vanthof: Thank you to both for coming. I'd like to start with—do you mind if I use your first name, Kristine?

Interjection.

Mr. John Vanthof: That is one of the best presentations we have ever had. It was to the point. You had an issue—you don't have an issue with the whole bill; you have an issue, and it's a voice we needed to hear. I've been in supply management dairy farm my whole life. From my perspective, the changes in the Milk Act are meant to reflect the changes in how milk is sold, right? It's broken down into components and so that's what they're trying to fix.

We had a presentation from Lactalis in Smith Falls about issues that if one province goes ahead of the other ones, that could cause issues, and what you're bringing forward is this could cause issues depending on how it's enforced or—your presentation is the difference—I know this government purports to be—I'm not going to be too political—and red tape. The difference is regulation that works as opposed to red tape, and that's going to be really important as this bill goes forward to make sure that that is addressed. Like, if anything, I think almost all of us here have had Shaw's Ice Cream. You're doing a great job. My commentary is over.

Just to confirm, your issue isn't with the Milk Act, your issue is that processors like you know what the rules are going in, that you're not left wondering am I or am I not covered by this?

Ms. Kristine Hayes: I think two of my main points with it is, overall, you're right. I don't have a problem with the food safety parts. That's in everyone's best interest. So there are changes that are coming to the Milk Act that I definitely support. It's this piece because in dairy processing, there are the producers who are the farmers and then there are the companies that are processing that dairy product. It's very consolidated. You've spoken with Lactalis who's a billion-dollar company, and we need them. But underneath that, the difference between where we're at, as a medium-sized company, and where they're at is an incredible distance. And what matters to them is different and the amount of people that they have to solve their problems within is incredible. We don't have that luxury.

So when I see this coming down—I'm also not representing the Ontario Dairy Council—but the Ontario Dairy Council is the group that represents all the processors. I'm the only what is considered a "non-milk buyer" on that council, and as a "non-milk buyer" that means I don't directly purchase ingredients from the Dairy Farmers of Ontario. I have to buy them in the secondary market because I just need the cream, I do not need the milk and I do not separate it.

This is where the concern is, because people who are already established in the dairy industry, and the ones that have the billion-dollar companies have entire teams working on regulation. We need the competition to continue and so we need more life brought into the smaller businesses. We need an avenue for them to grow and, to be frank, there haven't been a lot of businesses that cracked through from very small to that medium-sized business. I'm not here to say it's because of all of the dairy regulation; it's because of everything as I was outlining.

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Dairy regulation, in and of itself, is so convoluted if you don't understand it. To be frank, not a lot of people understand the system from stem to stern, whether that's farmers—I'm from Oxford county, so many of my friends are in the dairy industry. When I talk to them about what my struggles are, they're dumbfounded because they think, "Well, we should just make that all work because when you do well, we do well." Also, to be clear, there is a good relationship between the dairy farmers and the processors.

The crux of what I'm saying today is this regulation opens up the opportunity—it doesn't specifically say that would happen but it opens up an opportunity for the classification, reporting and being audited and potentially having to invest in systems like the systems that are in place today, like MUV, a system that processors need to put all their information in so that the dairy farmers of Ontario can understand where everything went and be charged accordingly.

But how do smaller organizations and smaller processors keep up with something like that—invest possibly in more software, even stay up on the day-to-day of what goes on, the changes and what's expected of them? Having been through that and seeing an opportunity to have distributors of dry products—possibly need to be tracking where those dry products went—why that is their responsibility? Is it going to be done properly? You've just opened up another layer of regulation and chasing what ends up becoming small numbers for a big amount of dollar, and what is the value in that? What I'm asking is to say if it wasn't your intention, just let's make sure it can't get to that. Let's make sure that they're past this threshold.

The Acting Chair (Mr. Andrew Dowie): One minute left.

Mr. John Vanthof: I thank you for that. I think your voice hopefully is heard because it's an important—when I was on the board of the Dairy Farmers of Ontario, we were always very concerned where the milk was going and now that they've divided up in much—I think that's what they're after. They're not after and they shouldn't be after the reseller. That's where the issue is. I would really like to thank you.

I will get to you in my second round, Scott, don't worry. Thank you.

The Acting Chair (Mr. Andrew Dowie): Okay, thank you. We will move to the third party. MPP McCrimmon, the floor is yours.

Mrs. Karen McCrimmon: Thank you for your presentation. I'm going to do the same thing. I'm going to concentrate on Kristine and then you'll be next.

I understand that I'm not the farmer he is. Breaking down milk into its individual components so you can sell it easier because I know that when we talk about whey, that's something—people want protein but you're after the fat part of it. How are we going to make sure that there doesn't end up being a run on protein and, if there are changes which make your life more difficult, that you can't do that, that we don't end up with this uneven market that individual components can end up with shortages or there's too much on the market? How do we do that?

Ms. Kristine Hayes: Overall, there's the mechanism of supply management so everything should be stable. That's their job, to manage supply. I'm not here saying that that would happen, what you're describing. I think it's just really the burden that's going to be put on others. There's a whole other conversation we can have afterwords about supply management because that has been happening, just as an aside, that not everybody is getting the ingredients they require because of the event of protein. The two aren't necessarily totally correlated. Definitely making sure that the smallest processors always have what they need, there's that, but the ability just to do business within that framework and fully understand it without having to seek third-party support or hire someone that's going to step you through the process, that's really where I'm coming from. We shouldn't have a system that would require anything close to that, and if we don't put parameters on what that regulation could end up being, then we will absolutely end up there, because there's no stopping point to it.

Mrs. Karen McCrimmon: Okay, exactly. So do you have any specific recommendations—wording—that could be included in the bill that would actually preclude what you're so afraid of, that you're worried would happen?

Ms. Kristine Hayes: I think the biggest thing is the consultation piece of making sure everyone knows. I will say that I was at one of the consultation meetings. It was held a few days after Canada Day last year. It was not well attended, but I think that goes to my exact point where people that are smaller don't even see this coming and so they don't understand the implication that's going to have.

To some degree we all have to be responsible for ourselves and our business and what happens next. I fully support that notion. But also, it's the exact reason why they weren't there, because they're doing everything themselves and they don't see it coming.

Like I said, this has no benefit to me. I'm already part of the system. But I've been through the system, and it was frustratingly hard. Everything's hard, and then there was this, I feel, because of all of the regulations that you need to understand and the costs that are involved with just making sure that you adhere to all of them.

Mrs. Karen McCrimmon: Okay, so the administrative burden and the possible regulatory burden—do you think that will frighten away small business owners so that they won't want to get involved, or would it—

Ms. Kristine Hayes: It could be two-fold. I think that they won't understand it coming in and have to learn it as they go. That's what we're doing today. That's what I did. And I think that once they get in there and realize it—and that's where I say I'm not here to say this is the breaking point. I'm not. My other point is there's so much expectation on a business in Ontario from all facets that even adding any more, we have to really think, are we getting what we need here?

The point of all of you guys being here, and me as well, is to create the best province that's able to support itself, that's respected nationally and internationally. But we need a good system of support for businesses and helping them grow and being cognizant of the things we're adding to their plate every time, not just in agriculture.

Mrs. Karen McCrimmon: Okay. Following my question, exactly what could we do to support small business and its expansion?

Ms. Kristine Hayes: I think consultation is important, getting everyone together. If I'm saying from a personal perspective, there's got to be consultation with all of the groups involved—that's from the farmers to the Ontario Dairy Council and other non-milk buyers—so that they understand what's coming and then put together and carve out a spot of, really, just being frank, who does this apply to so that the government knows and it isn't a creeping regulation that can keep moving.

As I said, you've seen them in your communities—there's these ice cream shops popping up that are making their own ice cream on the street out of that store, and we're asking them to be a part of the Milk Act. Where do we carve out for smaller businesses that are starting and could become something more? It's really about collaboration but, in the regulation, having some sort of line. I think it needs all the parties to figure out what that looks like. And I don't know what it looks like. I'm just saying there's potential for this, and I'm concerned—

The Acting Chair (Mr. Andrew Dowie): One minute left.

Mrs. Karen McCrimmon: Thank you, Chair. I'm good.

The Acting Chair (Mr. Andrew Dowie): We'll move to the government side. MPP Pinsonneault, the floor is yours.

Mr. Steve Pinsonneault: First of all, thanks to both of you for being here; great presentations, very detailed.

My question is going to be for Scott. First of all, congratulations on being inducted into the Lambton Agricultural Hall of Fame—well-deserved recognition.

The Egg Farmers of Ontario have voiced support for the Farmland Security Act's goal of protecting farmland and strengthening food security. As chair, why does that matter for Ontario's more than 600 egg and pullet growers. I know you touched on it in your opening presentation, but I'd like you to go a little bit more into detail.

Mr. Scott Helps: We support this direction. We have been part of some of the consultation in the past, so we've felt like we've been able to voice our opinions around this. We feel that, for family farms, we want to have the ability to farm, basically, at the end of the day. John mentioned the red tape side of it. We don't want any part of it being complicated. We understand totally that there's got to be criteria around these things, that you have to hold it together with those criteria, and we support those ideas and we support the consultation that goes in behind those types of things. But for us, as long as we're able to farm on our farms and produce the foods that we're doing, doing the job that we're able to do, we believe and support Bill 109 because of those reasons that we're able to do that, and we don't see that complication.

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Now, I know all other business—there are lots of other industries that will have different opinions and stuff. I'm speaking directly from a pullet-and-egg position as well. But, no, we feel this is a great direction because we're able to just farm and carry on doing our business. With the land act and everything around this, we're totally in favour of where we're headed on this.

Mr. Steve Pinsonneault: That's awesome. That's what we want to do. We want to hear from the actual producers and people who are on the ground and understand what's going on—and you farm in the beautiful Lambton county, so that's good. Thanks, Scott.

Mr. Scott Helps: Thanks.

The Acting Chair (Mr. Andrew Dowie): Next up, we have MPP Leardi. Go ahead.

Mr. Anthony Leardi: Scott, thank you for being here today. I have a question. I'm from Essex county. Essex county is in zone 1 and you are in zone 1, so we have an interest here that is a mutual interest.

With regard to egg farmers in Essex county, or zone 1, I would like to know, with regard specifically to the provisions of this act, which have the intention of placing certain restrictions on foreign acquisition and foreign ownership—give us your views, or the views of your organization, on that. And if you can touch specifically on any examples that you know of, this committee would appreciate it—if you have any examples to give us. You don't have to mention specific names or people, but if you could give us specific examples, that would be very helpful to us. Thank you.

Mr. Scott Helps: I'll even add another part of that, Mr. Leardi, because I want to recognize that we were in a point at one point where it was recognized that—look, the province is different, from Essex to the north and all in between that. What's good for one and what's good for another might not be the same thing.

What we've recognized is that, if we can somehow have consultation—like has been suggested a couple of times here—to work through those types of barriers, that's all we ask for. We think that's good. We're a diversified province with a lot of opportunities.

When it comes to the land side of it, I do have some experiences because we do farm land as well; 1,000 acres is what we do with our operation. And in our community, or in my area, from all parts of Lambton county, we've already had those situations where buyers are coming and buying land for different reasons—foreign buyers, for example—and different things.

So what we're concerned about is what I mentioned in my words about production for Ontario and beyond. That's different in all sectors. If we're going to have foreign buyers, we think that those complications that get brought into it—maybe not right now, but into the future—that's where our concerns are as farmers. We want to make sure that our people are fed. That's the main priority for us. Beyond that, that's a whole other story. But having foreign buyers come in and take up the land without having things in place to put barriers up to stop that, which this does—we support that.

The Acting Chair (Mr. Andrew Dowie): One minute left.

Mr. Scott Helps: I support that as a farmer myself that does land as well, so that's where I'd premise that around there.

The Acting Chair (Mr. Andrew Dowie): All right. Thank you very much.

We'll turn to the official opposition. MPP Vanthof, the floor is yours.

Mr. John Vanthof: My question or comment is going to go to Scott.

Supply management is important to eggs, to dairy. A while ago, one of the biggest crises in the United States was access to eggs and the price of eggs. Do you remember that? And we didn't suffer through that because of our system, and I think we should all remember that. The States has got a lot of bigger problems now than eggs, but it is something that I think we take for granted. We shouldn't because there are two sides to supply management. There are also the acts—that our supply is always there.

Regarding the acquisition of land by foreign entities, I think we're all on the same page on that. But I'm going to ask you maybe the same kind of question I asked the minister: Is there a difference between investment funds buying land who have a Canadian nameplate or investment funds that buy land that have a nameplate from Germany? Is there really a difference? Because if I'm investing, I'm not looking to feed the people; I'm looking to make money with that acquisition and that sale.

Is there really a difference between what the nameplate says? Is there a difference between land purchased strictly for investment—because farmers, when they buy land, they're investing, too—should it matter where they're from? Because if it's strictly for investment, it's not to feed the people. Would you agree with that? Or have you thought about that? I'm not trying to put you on the spot.

Mr. Scott Helps: No, I appreciate that, John, and no, you're not putting me on the spot. I'm from Ontario and I'm from Canada, so those are my foundational beliefs, of course. I understand what you're asking on this question, and to my answer to the question, there might not be on some levels, and on a lot of levels, there probably isn't, but on a level of our food security, which I'm a big supporter of, I think it's in better hands trying to keep it in our country, at a minimum. Once you start doing that, like, even the stuff that I'm talking about in my own experience, you see—and not that other farmers are not competitive, and they drive up price as well, but what I've seen in some of those incidents is a change of farmers that roll through those types of properties that you're talking about.

The thing that I'm concerned about is not just the production but the care of the land and stuff like that. Those things come into play. I'm not going to sit here and say that always happens, but it is something that I always feel. I'm not that aggressive of a farmer that I want to go out and pay the most from my end, so I'm typically not the guy doing that either, John, but at the same time, there's a component of looking out for yourself first because it's food, and that's the most important part about food. We need to make sure we can supply our own, and in this case, it does bring in elements that make it a little bit more confusing. Hopefully that answers your question.

Mr. John Vanthof: That's a good perspective. I appreciate that.

If we're really talking about food security—and again, I'm not trying to put you on the spot; I like these conversations—the government is concerned, as are we because we support this bill regarding foreign investment of land—should we also be looking at foreign investment in processing? Because we have had, in other countries, where a processor has folded or left. I was on the board of the DFO when Parmalat went under, and we had a rough couple of days there. All the land can be Ontario-owned—if you can't process what you produce, your people still aren't going to be eating. So would that be a natural progression of something we should look at to ensure that we—again, I'm not trying to nationalize processing—have a processing base that isn't also simply driven by economics?

Mr. Scott Helps: I'm certainly no expert. To your point of putting me on the spot or whatever, but just in making some comments from what I see and have seen, because I'm older and been around a little bit, I have seen, in different industries, processing disappear. And now I go to meetings and—"We need to get processing" is a big deal. I've often said, "Well, we let it go." That's our problem. Now how do we get it back? Well, the problem with getting it back is you have to build that infrastructure around it and you have to do all these things. It probably requires some government money to do those types of things to get re-established.

The Acting Chair (Mr. Andrew Dowie): One minute left.

Mr. Scott Helps: So I know how complicated it is. For me, in our business, we're so fortunate because we have it all interior. It's business partners we look at it like in ours, and we try to do our own thing and make it work. So that's where I'm limited on some of that knowledge and experience in that way, John. But man, oh, man, if I could turn back time, I think—I wish we could have some of that processing back that went away.

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Mr. John Vanthof: Okay. In my final seconds, I would like to thank you both. This is what committee is supposed to be for, these kinds of discussions. I really appreciate it. Thank you very much.

The Acting Chair (Mr. Andrew Dowie): Thank you very much.

We'll move to the third party. MPP McCrimmon, the floor is yours.

Mrs. Karen McCrimmon: I thank you both. I totally agree; these are the kind of things we need to hear.

Scott, you said something that spoke to me about care of the land. I can see when a farm stays in a family and stuff that stewardship is there. It's loud and clear.

So how do we go through this period? The whole world is going through this, this centralization, this consolidation, the corporatization of agriculture. How do we make it through that and not fall victim to the loss of the family stewardship of the farm? What do we do to encourage that stewardship to stay even through this period of chaos we're going through right now?

Mr. Scott Helps: Good question. I probably don't have an answer to the question but I'm going to attempt to go around that.

In our world, in egg farming, we like to say, "Look, we have our deals that we deal with, our problems. We'll deal internally." We don't want to bring those to others, politicians being one. We don't go there to bring our problems; we keep those in-house and we try to work those out. It would be great if everyone was able to do that, but that's not possible.

To your point, I don't necessarily have any answers other than, there's a family-farm component to supply management and a family-farm component to egg farming and pullet farming. I'm a firm believer of that family-farm component and trying to keep and maintain that.

I look around the room for a second and I don't know if anybody is as old as I am in here. But I've watched the rural community go from being one view back in the 1970s, say, to see when I drive from my place to here, to Chatham, today and look at the rural community, how it's totally changed. That's primarily because of the economics in the world of farming. It's changed, and it's gotten so much better.

But there's a lot of family farms, and yes, there's big family farms like what was said earlier today by Trevor, I think. I get all that, but family farms are the backbone. If we can kind of maintain that across the board, I believe that's the secret to going forward. That's just my belief.

Mrs. Karen McCrimmon: I totally agree. That's what I'm looking for when I asked the minister the question, "How do we get the good out of centralizing, consolidating but also at the same time protect family farms?" Because I think that's our heart. That's why Canada has the trust of the rest of our world. It's because of our family farms.

Okay, let's talk about succession planning. What could we do better?

Mr. Scott Helps: Again, I think in the agricultural world the succession planning side of it is happening. We can't get hung up on specific situations, maybe, and there are dynamics that play out—everybody knows that—in family and different types of situations. Just in my experience in looking around at my community and even talking to egg farmers and pullet farmers in that way—because there's a generation my age that are now in that. There are a lot of people I know that are in that situation.

The succession planning—as long as we're able to do that and have the tools to be able to do that in our agricultural finance way, we think that's a big contribution. People go, "Well, you know, we can't get new entrants." Oh, my God.

I have three kids that would love to be doing what I'm doing right now, or maybe even four, actually—four, I should say. There are four new entrants. Yes, they are in my family, but why is that demonized compared to, say, a situation where somebody just wants to come out of the blue and jump into farming? Maybe they want to get into gold buying or something like that or gold mines, but they can't do that, so I always make those kinds of comparisons.

But I do not have an answer that's simple for questions like that—like, everybody will dance around that, but everybody should be at the table, that's what I think.

Mrs. Karen McCrimmon: Thank you. This is exactly what we need to hear. There are some good things in this bill, but there are some unintended consequences. Your intention doesn't always end up being the final impact, right? So thank you for being here and educating us. I really appreciate it.

The Acting Chair (Mr. Andrew Dowie): MPP McCrimmon, you still have a minute. Would you like to use it?

Mrs. Karen McCrimmon: No, that's good.

The Acting Chair (Mr. Andrew Dowie): All right. Thank you.

We'll move on to the government side: MPP Vickers, go ahead.

MPP Paul Vickers: My question is for Kristine. It will take me a while to get there, but I will get there eventually. The changes that we're proposing in Bill 109, under the Milk Act, were asked by DFO to be brought forward. It was more or less for a loophole that was there on the cheese-processing side of the equation. It had to do with the difference between the cost of liquid protein that could be purchased through the purchase of milk and the purchase of dried protein through milk powders and wheys and other different ways of doing it. They felt there was an opportunity for some processors to buy that protein at a cheaper price that would then give them an unfair advantage in the end-pricing of the product. So that was the reason why this bill was asked to change certain processes.

I guess my question is—and I'm not trying to be harsh or anything else—if there is an ice cream processor that was using a loophole—that they were able to buy fat at a cheaper price than what you were buying at, because you were being quite upfront with DFO on the price that you had to pay—would you not want that loophole to be closed down?

It could be one of two ways: It could be a smaller producer coming into the industry, trying to buy fat at a lower price to then give them a little bit more of a competitive advantage, or—it could even be different—you could be Chapman's that found a loophole that then gave an incredibly large processor an advantage in price.

My question is, would you not want those loopholes to be closed up, that the playing field can be as level as it possibly can be amongst all processors?

Ms. Kristine Hayes: I think this is where I want to really consider the balance because, just like we were talking about earlier, unintended consequences are there.

I fully agree, and I understand how it started and I can see how we got to where we are. That's where I wanted to put a question, "Should we have a line in the sand?" And collectively, that's where consultation comes in: What do we want to consider about this? A couple of things—and it came up in the group today—was talking about multinational companies coming in and how do we make sure that Canadian companies—specifically the ones in Ontario—are able to grow?

The playing field for a large company—and because you brought up Chapman's, I'll use them as the example—between even Chapman's and myself is enormous. The efficiencies of scale that they have: If we're looking at it strictly from a point of regulations put on businesses and their ability to survive, already, Chapman's has the efficiency, right? They're one of the biggest in the country. They have a network to get things across the country that's their own; other people are looking for third-party providers of that. So we're not equal across the board.

What I'm asking for is the consideration of smaller ones need that fighting chance to come up and through because in our dairy industry—we've talked about it today—there's not a lot of medium and small companies that will maybe ever make it to the billion-dollar company. We're not sure of that today, but it's very difficult to get there. So I appreciate the nuance that this makes it fair for everybody. That's why consultation matters, because there's some things that might be more obvious—that yes, it makes it fair. But for me to say that another ice cream company that has challenges that I do not have anymore—we're never going to be on a fair playing field because we're all at different points in our journey as entrepreneurs. So my main point is, let's make sure that we're not whipping people out that aren't going to make it because of not just this, but all the things that we need to operate as a business.

That's why I'm saying I appreciate your question: "What would you do, Kristine?" I don't have the answer, because as a group we need to put the answer together and maybe we carve out a couple of things that would say, "Okay, this is a threshold and then we're going to consider that." And then, too, we don't know what the future state looks like, which is something we've talked about in the room today in all the conversation. So that's what today is about, right? Making sure that future state doesn't end up looking vastly different from what was intended.

If the dairy farmers have the ability to audit the people who are actually buying something from them, which was my point in the beginning—I'm not buying anything from them, but they're able to come in and they can audit—where does that beginning and end start to what they're in charge of? For sure, there's a relationship with the people who receive their milk, but now we're talking about going to deeper thresholds of people who do not purchase from them and what powers should be given to them.

I'm saying this as apart from the understanding in the room today of the why it was created, which I don't necessarily disagree with. It's the next steps of—we're looking at how deep this can go and maybe carving out some scenarios where we would say, "Let's consider at a certain stage what's appropriate."

MPP Paul Vickers: Thank you.

The Acting Chair (Mr. Andrew Dowie): Just over one minute left.

MPP Pinsonneault.

Mr. Steve Pinsonneault: I love hearing the growth stories. I can appreciate it; I'm an entrepreneur myself and I know what it takes to get there. You're a brilliant woman, obviously, and that's why you did succeed. You said it yourself: humble beginnings. You grew from a small shop in St. Thomas to a state-of-the-art facility in Tillsonburg that serves all of Canada.

Do the updates to the Milk Act support the kind of made-in-Ontario growth story that you have—like your story?

Ms. Kristine Hayes: I think when we look at the changes in terms of food safety, those are changes, like I'd said before, we can all get behind. If we have a safe system where everyone is cognizant of the rules we need to play within—and ensuring that we have the best products and the safest products and the trust of the consumers is good for the entire industry.

In terms of what I'm talking about specifically, again, I think that there was heavy consultation—

The Acting Chair (Mr. Andrew Dowie): That concludes this round of questions. Thank you, members.

The morning portion of public hearings is now complete, and the committee is recessed until 1 p.m.

The committee recessed from 1152 to 1300.

ONTARIO FRUIT AND VEGETABLE GROWERS' ASSOCIATION

ONTARIO GREENHOUSE VEGETABLE GROWERS

KENT FEDERATION OF AGRICULTURE

The Acting Chair (Mr. Andrew Dowie): Good afternoon, everyone. The committee will resume public hearings on Bill 109.

I will now call on Mike Chromczak—Ontario Fruit and Vegetable Growers' Association—as well as Ontario Greenhouse Vegetable Growers, represented by Steve Peters, board chair and Richard Lee, executive director.

We'll start with Mike Chromczak—

Interjection.

The Acting Chair (Mr. Andrew Dowie): Oh, I'm sorry. I missed Jim Brackett from the Kent Federation of Agriculture. My apologies.

We will start with Mike Chromczak. Please state your name for Hansard, and you may begin.

Failure of sound system.

The Acting Chair (Mr. Andrew Dowie): Oh, Mike—

Mr. Mike Chromczak: [*Inaudible*] and I'm also an asparagus and watermelon farmer near Tillsonburg, Ontario.

The Ontario Fruit and Vegetable Growers' Association, or OFVGA represents approximately 3,500 growers across the province. Together our members farm approximately 225,000 acres of highly productive farmland and generate about $4.2 billion in farm cash receipts.

I'd like to begin by providing some context on the current environment facing Ontario's fruit and vegetable growers. Our sector is facing unprecedented and increasing pressures. The cost of producing food has risen dramatically. For example, compared to 2025 levels, diesel costs are more than 50% higher and fertilizer costs have increased by approximatively 30%. At the same time, growers are facing significant marketplace pressures. Competition continues to increase, returns remain stagnant and farm margins continue to shrink.

Ontario growers are also competing in a global marketplace where the playing field is not always level. Especially crop growers in the United States have received significant government support, including ad hoc cash upfront subsidy programs in 2025 and 2026 totalling more than C$5 billion. If a similar acreage-based payment program were applied in Ontario, it would represent an estimated investment of more than $55 million for Ontario fruit and vegetable growers alone.

Consumers are understandably frustrated when they see food prices increase and may assume that farmers are benefiting from those higher prices. However, the reality is that in a global marketplace with significant cost pressures and uneven competition, Ontario growers are not seeing those increased grocery prices flow back to the farm gate in a way that covers rising production costs.

I share this context because it is important to understand the challenges facing our sector as we discuss the importance of protecting Ontario's food independence.

The OFVGA appreciates and supports the efforts of Minister Jones, the Premier and the Ontario Ministry of Agriculture, Food and Agribusiness in recognizing the need to protect Ontario's ability to produce food.

A key part of that discussion is access to productive farmland. Fruit and vegetable growers are especially aware of the pressure around land availability, especially for crops that depend on farmland with unique characteristics including specific soil types, topography, climate conditions and reliable access to water for irrigation.

Competition for farmland comes from many sources. It includes other, more profitable agricultural sectors, development pressures and purchases by third parties, including foreign and domestic investment firms and pension funds. These pressures have increased land values and, in some cases, make it more difficult to maintain farmland in its most productive agricultural use. It is important that Ontario farmland remains available for the production of fruits and vegetables and other agricultural products.

Bill 109 represents a proactive step by the government to consider how best to protect this valuable resource. At the same time, it is equally important that any legislation, including the proposed Farmland Security Act, be implemented carefully to avoid unintended consequences.

Today's farms are complex businesses. Many fruits and vegetables operations have become highly capital-intensive enterprises with sophisticated ownership and investment structures. This is particularly true in greenhouse production, which my colleague Steve Peters will speak about in greater detail, but it also applies to some fruit and vegetable farms as well.

OFVGA wants to ensure this legislation does not unintentionally restrict a farm's ability to access investment needed to expand operations, create value-added opportunities, improve efficiency or support effective succession planning. A key consideration will be how foreign land ownership is defined within the broader context of a modern agricultural business. It will be important to consider not only the physical land base but also the other assets that are essential to a farm operation including buildings, equipment, brands and other intangible assets.

As the government moves forward with developing regulations under this proposed legislation, we believe it will be important for the agricultural sector to remain closely engaged. OFVGA would welcome the opportunity to continue working with the government to ensure the final approach protects Ontario farmland while supporting the strength and competitiveness of Ontario farms.

I would also like to comment on another important aspect of Bill 109: the proposed amendments related to the Ontario Food Terminal. OFVGA appreciates the continued recognition by the province of the importance of this critical piece of agricultural infrastructure. While the Ontario Food Terminal is only one part of the supply chain that moves fruits and vegetables and other horticulture products across the province and into the greater Toronto area, it remains a significant marketplace for Ontario growers. More than two billion pounds of produce is moved through the facility each year. Allowing the terminal to establish a capital fund to support future improvements will help ensure its long-term sustainability and maintain its role as an important market for Ontario growers, particularly in a time where grocery supply chains are becoming increasingly concentrated.

To conclude, the sector appreciates the government's efforts to strengthen and protect Ontario's agricultural sector through the measures outlined in Bill 109. As I mentioned at the beginning, Ontario's fruit and vegetable growers are facing growing competitiveness challenges. We know the province is aware of these issues and remains engaged in addressing them.

OFVGA continues to work with both provincial and federal governments on improving business risk management programs, including through the Next Policy Framework. These programs will require continued commitment and collaboration from governments to ensure they reflect the reality and challenges facing today's growers.

I thank you again for your time and the committee's work in reviewing this important legislation. We appreciate the opportunity to provide our perspective, and we look forward to continuing this discussion. Thank you.

The Acting Chair (Mr. Andrew Dowie): Thank you very much.

We'll move to the Ontario Greenhouse Vegetable Growers. Please state your name for Hansard, and you may begin.

Hon. Steve Peters: Thanks very much, Mr. Chair. Steve Peters, chairman, Ontario Greenhouse Vegetable Growers. Online as well is Richard Lee, our executive director.

Thanks very much for the opportunity to speak to Bill 109 and offer the perspective of Ontario's greenhouse vegetable sector, a sector that plays a critical role in food security, economic growth, employment and exports. Our sector has invested billions of dollars in modern food production infrastructure and continues to expand our capacity to supply fresh vegetables to Ontario, Canada and other markets.

We support the overall objective of Bill 109. Protecting Ontario's agricultural land base and strengthening domestic food production are important goals that align with the greenhouse industry's to long-term food security. However, though, we encourage the government to ensure that the implementation of the legislation supports growth and investment in the greenhouse sector, while avoiding unintended consequences.

(1) The greenhouse agricultural sector is different than traditional farmland. It's simply not land-based farming. Our operations require significant investments in the greenhouses, energy systems, water management infrastructure, parking facilities, logistics networks and advanced technology. As regulations are developed, we ask the government to clearly define how greenhouse properties, greenhouse expansions and controlled-environment agriculture facilities will be treated. Investors and growers need regulatory certainty before making long-term capital commitments.

(2) Protect the access to investment capital. The sector has been one of the fastest-growing segments in Canadian agriculture, but our continued growth depends on access to financing, investment partnerships and capital from a variety of sources. We support measures that protect agricultural land from speculation and preserve it for food production; however, any restrictions on ownership or investment must be carefully designed so they do not discourage legitimate agriculture investment or slow greenhouse expansion projects that will help to increase our food capacity. We ask the government to consider that any restrictions or reporting requirements include practical exemptions and clear approval processes.

(3) Please do not increase regulatory burden. The sector already operates under vigorous food safety traceability, environmental labour and export requirements. We participate in food safety certification programs. As the legislation is modernized, please avoid trying to duplicate inspections and additional reporting requirements. Modernization should create efficiencies, not new layers of regulation.

(4) Competitiveness must remain a priority. Ontario's greenhouse growers compete every day with producers in the United States and Mexico. Food independence requires more than just protecting farmland; it requires maintaining a business environment that allows Ontario growers to compete successfully. Before implementing new regulations, the government should assess the impacts on competitiveness. Regulatory burden can affect our ability to compete in North American markets.

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(5) Food independence requires more than land protection. While protecting farmland is important, access to labour, affordable energy and infrastructure remain some of the most significant challenges facing greenhouse vegetable growers. If Ontario's objective is food independence, policy must support that. We require access to reliable labour; competitive and predictable energy costs; infrastructure that supports expansion and transportation; innovation and technology adoption; and efficient and timely regulatory approvals. These factors are important to ensuring our long-term food capacity.

Finally, consultation must continue through the regulation development. Many of the details that will ultimately determine the impact of legislation will be established through regulations. Continued, meaningful discussion with the greenhouse sector through that process is essential.

In closing, the Ontario Greenhouse Vegetable Growers support the government's objective of strengthening food independence and protecting agricultural production. Our message is simple: Protect farmland, but also protect the ability of growers to invest, expand, compete and produce food. Bill 109 has the potential to strengthen our food system, but that success is going to depend on recognizing the unique nature of greenhouse agriculture; protecting access to investment and capital; minimizing regulatory burden; supporting international competitiveness; addressing labour, energy and infrastructure needs; and maintaining ongoing consultation with the sector. By taking this balanced approach, Ontario can protect its agricultural land while continuing to grow one of the most innovative and productive greenhouse sectors in the world.

Mr. Chair, where you are right now, you are in the greenhouse capital of Canada, as you well know. Ontario is home to 170 growers, 4,500 acres of greenhouse glass. Our focus is cucumbers, tomatoes and peppers, but we're seeing extreme growth in the strawberry side, the lettuce side—including 16 acres of eggplant not far from here. The potential is there, and we want to continue to work with the government to make sure that that potential exists, because we are the second-largest concentration of greenhouses in the world, and that's something Ontario can be really proud of.

The Acting Chair (Mr. Andrew Dowie): Thank you very much for your presentation today, Mr. Peters, and Mr. Lee in the background.

We'll move on to Mr. Brackett. Please state your name for Hansard, and you may begin.

Mr. Jim Brackett: Chair and members of the committee, thank you for the opportunity to speak with you today about Bill 109 and the proposed restrictions on foreign interest in Ontario farmland. My name is Jim Brackett. I am the president of the Kent Federation of Agriculture; we didn't change our name from Chatham-Kent, because it's Kent county and part of the agriculture. We represent approximately 1,850 farm families and agriculture members in Chatham-Kent, one of the most productive and diverse agricultural areas in Ontario.

Let me start by saying this clearly: We support the objective of protecting Ontario farmland from harmful foreign control and speculative acquisition. Farmland is a limited resource. Once we lose control of it, it can be very difficult to get that control back. Farmland is the foundation of our food system, our rural economy and our long-term food security. Ontario should not allow foreign governments, state-controlled companies, offshore investment funds or hidden beneficial owners to accumulate large amounts of farmland in a way that pushes Ontario farmers out of the market.

But there is an important distinction that I believe this committee needs to keep in mind: Protecting farmland from harmful foreign control is not the same thing as blocking legitimate investment in Ontario agriculture. Bill 109 establishes the framework, but many of the most important details will be determined later, through regulations. Who will be considered a restricted person? What exactly will qualify as farmland? What does an interest in farmland mean? What transactions will be exempt? And under what circumstances will permission be granted? These details are extremely important to farmers.

The argument for restricting foreign ownership is understandable. A foreign investor with very deep pockets may be prepared to pay more for farmland than its productive value can justify. That can drive prices higher. It can make it harder for an existing farmer to expand and also make it almost impossible for a young farmer to buy their first farm.

There's also the issue of transparency. Ownership can be hidden through corporations, partnerships, trusts and numbered companies. A properly designed law can help Ontario understand who actually owns and controls its farmland. That is a good objective. But they also need to recognize the risk of making the legislation too broad. Agriculture today is an extremely capital-intensive business. Farmers need financing to buy land, install drainage, build barns and greenhouses, purchase equipment, expand livestock operations and transfer farms from one generation to the next. Canada banks and farm credit are extremely important sources of finance, but they may not always provide all of the capital required. They may also require levels of equity that a young or expanding farmer simply does not have.

Sometimes outside capital can come into an operation as a loan, minority investment or a partnership while the Ontario farmer continues to control and operate the farm. If Bill 109 treats every foreign financial interest the same as foreign ownership, we could eliminate legitimate financing without making one more acre of farmland available to a young farmer.

There is another side of this issue that should not be forgotten. For many farm families, their farm is their greatest asset. It is also their retirement fund. When that farmer is ready to retire, restricting the number of potential purchasers could affect the value of that farm and the family's succession plan.

And restricting foreign ownership alone will not suddenly make farmland affordable. Canadian investors, corporations, pension funds and large domestic farm operations can also compete for farmland. Interest rates, developmental pressure, farm profitability and the limited supply of good agricultural land all influence farmland prices. So foreign ownership restrictions may be part of that solution, but they are not by themselves a complete farmland policy.

The Kent Federation of Agriculture would suggest six principles as Bill 109 moves forward.

(1) Target control, not normal financing. There needs to be a clear distinction between somebody who controls farmland and the lender, who simply holds a mortgage or other security. A legitimate loan should not suddenly be considered foreign ownership.

(2) Require full disclosure of beneficial ownership. Ontario needs to know who ultimately owns and controls farmland, not just the name of the corporation on the deed. We believe Ontario should establish a reliable baseline showing how much farmland is actually held by foreign individuals, foreign-controlled companies, investment funds and institutional investors. You cannot develop good policy unless you have good information.

(3) Recognize genuine farmers who are building their lives in Ontario. Someone who lives here, works here, farms here and is working toward permanent residency should not automatically be treated the same as absentee

foreign investors. In this area, we have a tremendous part of our agriculture that is Dutch, that immigrated here in the last 50 years or further—hard workers, and they've grown dramatically. There needs to be a practical way of recognizing people who have made that genuine long-term commitment to Ontario agriculture.

(4) Protect normal farms and farm transactions. Family succession, estate settlements and corporate reorganizations that do not change the actual control of the farm should not become caught up unnecessarily in this legislation. The same applies to normal lending arrangements, leases, partnerships and joint ventures.

The Acting Chair (Mr. Andrew Dowie): One minute left.

Mr. Jim Brackett: (5) Make the approval process clear and timely.

(6) If Ontario limits some sources of agricultural capital, we need to strengthen access to Canadian capital. So ask questions: Where did the money come from? Who controls the land? Do we know who the real owner is? Is that land being actively farmed? Does the arrangement strengthen Ontario agriculture or simply turn farmland into another financial asset?

Our recommendation is to proceed with Bill 109, but proceed carefully. Restrict harmful foreign control, close the loopholes, require transparency, preserve legitimate farm financing, protect succession planning and improve opportunities for young and expanding Ontario farmers. Farmland security and farm financial security have to be designed together. Ontario needs both. Thank you.

The Acting Chair (Mr. Andrew Dowie): Okay. Thank you very, very much.

This round of questions will start with the third party. MPP McCrimmon, floor is yours.

Mrs. Karen McCrimmon: Thank you. I really appreciated your presentations. I think they're amazing, and I think this is exactly the kind of information that we need to hear.

Mr. Peters, when you were talking about business risk programs—how do we make them better and easier for farmers to actually take advantage of?

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Hon. Steve Peters: Mr. Chair, to the honourable member: That's a challenging answer that I think farmers have been struggling with for a long time, trying to find the right mix of business-risk-management programs that are going to meet individual needs. The needs of a greenhouse sector are not necessarily the same as someone who is a cash-crop operator, and what we would be encouraging is that, as the new agricultural policy framework works its way through the system and gets implemented in 2027, the government engage with all of the sectors to ensure that a one-size-fits-all approach isn't going to meet all of our needs. I know Minister Jones—I saw him in Nova Scotia at the federal-provincial meeting—was certainly raising the issues and the diversity within agriculture. So, there are challenges, but it's got to be looked at, commodity by commodity.

Mrs. Karen McCrimmon: Thank you for that answer. I'm glad. I totally agree: Food independence is important, and that's a solid aim for this legislation.

But how are we going to support farmers? You had a few ideas about access to labour and infrastructure and energy, but I was really interested in the adoption of innovation and technology. What can the government do to actually encourage and reward that adoption of that technology?

Hon. Steve Peters: Well, the technology adoption—there's some amazing technology that's going on. If I looked at the energy file, that is looking at cogeneration and how we can take advantage of that. But we also need to then work very closely with the Ministry of Energy to make that. So I think, with any innovation that's going to move forward—you can look at technological innovations even within a greenhouse. I toured a greenhouse three weeks ago and saw a machine, a robot that looked like an anteater that was harvesting cherry tomatoes, and that harvester can work 20 hours a day without a break.

There is a lot of technology and a lot of innovation that is out there, but again, much like the question you asked on the business risk management, what we require is an all-of-government approach to a lot of the issues that we are dealing with. We know that OMAFA is there for us, but so many other ministries touch on all of our lives. So we need to ensure that if we're going to see innovation happen within agriculture, we're going to need the support of other ministries, and we need the champion from the Ministry of Agriculture, Food and Agribusiness.

Mrs. Karen McCrimmon: Thank you for that. I think you're right, and I think some of our government structures aren't designed to actually enhance or encourage cross-ministerial co-operation.

But do you have any ideas for us? Do we need to change the forum so that instead of just one committee, it's two committees? How do we make sure that we're talking to every single ministry that we need to talk to?

Hon. Steve Peters: Thanks, Mr. Chair, for the question. To the honourable member: It's individuals like yourself that we need, urban politicians who are going to be delivering messages to your colleagues sitting across the floor. A lot of this work doesn't need to be done in an adversarial manner. We all require food, whether it's urban or rural. And I would encourage you to enter into discussions with your colleagues across the floor.

Having spent 12 years at Queen's Park myself, I know where the agenda is set. The agenda is set from the Premier's office, and the Premier's office on down. We've seen Premier Ford; he's been very supportive of Minister Jones and agricultural initiatives, but if that tone is going to be set, it needs to come from the top down, looking at agriculture and agri-food production as something not so much political but as something that benefits all of us.

Mrs. Karen McCrimmon: Okay. Thank you.

Mr. Richard Lee: May I add to that? Richard Lee from the Ontario Greenhouse Vegetable Growers.

The Acting Chair (Mr. Andrew Dowie): One minute left.

Mr. Richard Lee: This has been an issue that we've asked government for support on these cross-ministry meetings: to support ideas, to ensure that we have the environment to succeed and to ensure the investments remain here in Ontario. We need to identify opportunities that elevate agriculture and sustain it long-term so that we can address some of these issues as well as modernize to the speed of business to implement policies that support agriculture broadly.

The Acting Chair (Mr. Andrew Dowie): Thank you, MPP McCrimmon.

We'll move to the government side. MPP Pinsonneault, the floor is yours.

Mr. Steve Pinsonneault: Thanks to all the presenters for being here today and taking time to be part of our consultation process.

My question is for Jim from the KFA. Thank you for your dedication to ag. Through all the committees you're on and knowing you for a lot of years, you definitely wear your heart on your sleeve.

Chatham-Kent is one of Ontario's most productive agricultural regions. As a municipal councillor here in Chatham-Kent for 17 years and with the province for two years, I totally understand the importance of agriculture, not only here in Chatham-Kent but right across the province.

Jim, through to you: How do you see this legislation supporting the continuity of family farms here in future generations?

Mr. Jim Brackett: Well, I think it depends on, as I said before, how all of the parameters affecting it are made and designed so that we don't restrict it rather than allow it to happen. Hopefully the bottom line is that it encourages more succession, more investment; but we need capital for that and help to secure capital for those things to go forward.

It is becoming more and more expensive. Land in this area is ranging between $30,000 and $45,000 an acre. And when I say $30,000, there are parts of Chatham-Kent that are less than that, but in the most productive parts, that's not uncommon. And I think when you get into the greenhouse business, it goes much higher than that.

So it's a valuable asset that's very difficult to expand in because of financing. All the help that we can get in terms of providing financing—and there is a lot already available through farm credit and banks and other investment opportunities or other capital opportunities—the more we can protect that and protect our farmland.

We also need to be careful of protecting farmland as a whole. Some of the largest acreage we lost has been to foreign investment: 1,500 acres in St. Thomas; more acreage in Windsor, Ontario, although that was in the heart of the city so you wouldn't consider that completely farmland. But we need to be careful of the whole picture in terms of that.

Mr. Steve Pinsonneault: Yes, we do definitely want to protect family farms moving forward. Sometimes it's a bit of a juggling act. But thank you for your input today.

Mr. Jim Brackett: Can I make one other comment?

Mr. Steve Pinsonneault: Yes.

Mr. Jim Brackett: You mentioned family farms. We need to be careful, in today's climate, how we define family farms. I have some very good friends and neighbours that are running in different parts. A lot of the area considers them one cell, but they're not; they're multiple cells that started three generations ago from one man. We need to be careful of how we define family farms today. Thanks.

Mr. Steve Pinsonneault: Thank you.

The Acting Chair (Mr. Andrew Dowie): MPP Rosenberg, the floor is yours.

MPP Bill Rosenberg: I want to thank all the presenters here today for helping share your knowledge. We're all here to learn from all of you.

My question is to Steve and Richard. With close to 50,000 jobs tied to the greenhouse vegetable value chain, why does a clear, practical regulation matter for an industry operating at that large scale?

The second part is, as Bill 109 moves through our committee, what would you like to see prioritized in the Ontario growth strategy that will continue our growth in the Ontario greenhouse vegetable sector?

1330

Hon. Steve Peters: I'll start, and then I will turn it over to Richard.

There are a number of factors there. Trade is extremely important; 85% of what we grow in Ontario goes to the United States, so the trade is extremely important.

The infrastructure requirements that are needed for greenhouse investment, you are looking at anywhere from $1.5 million to $2 million an acre. For scale, to make it profitable, you're going to be looking at probably a 25-acre investment. So it's a significant financial outlay that's going to take place, but that outlay requires that infrastructure. It requires sewer, water, gas and electricity. It requires that transportation network.

I think, if we're going to grow and go forward, that's where we need to partner with government, because those investments also in turn can help a municipality. Those very investments that are made to help support the greenhouse sector can help to support residential growth and communities like Chatham-Kent or Kingsville or Leamington.

Those are a couple of areas that come to mind to me and where, if moving forward with Bill 109, we've got all the right ingredients to look towards food security, food sovereignty. But it has to be that partnership—working with government. Richard may have some other comment.

The Acting Chair (Mr. Andrew Dowie): One minute left.

Mr. Richard Lee: Thank you, Mr. Rosenberg. Just real quick: Those jobs that are contributing to the agricultural sector only create more jobs. Ultimately, you've seen a shift from auto, EV—that was high-tech, good-paying jobs, which could ultimately complement agriculture as we adopt research, innovation, robotics, logistics.

I think it's an excellent opportunity to upskill some of our labour force as well. But more importantly, not just infrastructure: good policies—policies from all levels of government, including municipal, including the federal. The feds have now recognized that greenhouse is in an ideal position to help reduce our dependence on imported product. But we can't do it without the infrastructure and without the policies to support greenhouses across Canada, including Ontario.

MPP Bill Rosenberg: Thanks very much, guys. Keep up the great work. It's definitely eye-opening, what greenhouses are doing for our communities.

The Acting Chair (Mr. Andrew Dowie): That concludes the government's time.

We will move to the official opposition. MPP Vanthof, the floor is yours.

Mr. John Vanthof: Thanks to all the presenters.

I think the one thing that all three presentations share—not opposition to the proposed regulations and foreign investment, but the message that we need to be careful because modern agriculture requires big investments and perhaps, sometimes, bigger investments than what the traditional lending institutions can provide. I think we need to be careful not to overregulate. I think when people think of foreign, they think of foreign entities, countries controlling large plots of farmland. I think we're all in agreement: We don't want that.

My first question would go to—if you don't mind me using your first name—Jim. You mentioned something that we should look at regulating: control and who actually controls the entity. Because when I look at foreign investment—a foreign investment company or a domestic hedge fund—to me, it doesn't make much difference. It's who controls the outcome; is that the balance sheet of a multinational corporation, a hedge fund, or is it the farm entity itself? Could you expand on that?

Mr. Jim Brackett: I think what I was getting to with that answer was who controls the land, who farms the land, who works the land, who ultimately makes the investments to improve the land? The financing may be coming from foreign. I know one company in this area that runs about 2,000 acres; they then have a local man that manages that for them and a number of farmers that farm it. One of their goals is to improve the land with sharecrop agreements between their company that has the investors wanting to buy—and mostly that's European investment—and who's farming it.

When I was talking about control, I was talking about who's farming it. Who's in control of the farm? Is that what you're looking for, John?

Mr. John Vanthof: Yes.

You also mentioned and used St. Thomas as an example. Is it important not just to have regulations about who owns the land but actually have really strong regulations on whether that land stays in agriculture, or whether it's moved to some—there is going to be development. We're not going to stop development. But does agriculture have a big enough voice right now in provincial structure to say, "Is there a better use than growing food for this land? If there isn't, it's staying agriculture"?

Mr. Jim Brackett: Thank you for that question. It's a very good question.

I used the 1,500 acres because, if I'm not mistaken, that was bought up by Volkswagen which, unless I'm mistaken, is a foreign company. Just before that, there was a lot of controversy in the press and in the news over the greenbelt, where Doug had wanted to do some development along there, and people rallied against it. But the 1,500 acres happened within six months afterwards and there was no cry in terms of Canadian-wide press or Ontario-wide press. It just disappeared.

There was no real legitimate cry over the 750 acres at Wilmot. There was, certainly, from the farmers, but not in the press as much as there was over that greenbelt.

So, we need balance. We need development and we need housing, and we're going to need land for development for sure, whether it's in Chatham or whether it's in Toronto or wherever. I would encourage us to look at areas even within Chatham that can be developed—that are already designed for that—rather than taking additional land. But I'm not against development, that's for sure. I hope that answers that.

Mr. John Vanthof: Yes.

Both for Steve and, if there's time, Mike: You also talked about the need for regulation or the possibility of regulation in foreign investment, but to be careful that we're not restricting development with these regulations.

Hon. Steve Peters: No. Mr. Chair, through you to the honourable member: That's extremely important. Hence why, as the details come out beyond the legislation and into the regulatory environment, the need for good consultation on how that—because, again, similar to the answer I gave the honourable member from the third party, a one-size-fits-all approach isn't necessarily going to be the right answer. Some of the regulatory requirements or changes that are going to be done to ensure the needs of greenhouses are met may not necessarily be the same as what somebody in Mike Chromczak's spheres are, as well. That's where, in our mind, it's just incumbent that we see that consultation on the regs.

I'll let Mike jump in.

The Acting Chair (Mr. Andrew Dowie): Forty seconds left.

Mr. John Vanthof: Go ahead, Mike.

Mr. Mike Chromczak: Thank you, MPP Vanthof. I appreciate that.

It's not just at the primary production level. There are certainly opportunities, as well as risks, at primary production for investment in control. Those investment opportunities also move up through the value chain and there may be different parts of agribusiness that we need to consider when it comes to foreign investment, domestic investment, that can help or can hinder our food security here in Ontario. So, just that broader scope and that wider consideration—

The Acting Chair (Mr. Andrew Dowie): That concludes the time for the official opposition.

We'll move on to the third party. MPP McCrimmon, the floor is yours.

Mrs. Karen McCrimmon: I'll stick with Mr. Chromczak, if that's okay.

I think that all development isn't equal, right? There are some developments that are designed to turn a quick profit, maybe through speculation, and then some are designed for longer purposes, benefits. One size won't fit all, but how does the government design programs to support your industry that would actually support longer-term investments?

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Mr. Mike Chromczak: I think that there's certainly an opportunity, through consultation, to make sure that all risks and opportunities are assessed, especially when it comes to development and the impact on long-term agricultural sustainability. In the short term, however, competitiveness is our biggest opportunity and our biggest struggle right now at the primary level, and I think that we need to take those factors into account to ensure that we're protecting the entire value chain—the entire supply chain—making sure that we have sustainable and profitable, safe domestic food production.

Mrs. Karen McCrimmon: Okay, thank you.

One further question, then: I think the world is looking to Canada because we are a trusted partner, and people look at us and say, "They look after their people. They look after the environment. They do it right." How do we continue to grow businesses as we scale up and, yet, not lose that, not lose that touch Canadians have with being considered that trusted partner?

Mr. Mike Chromczak: And that's certainly something we never want to take for granted, and we want to maintain and expand on that goodwill and that reputation that we have. So, not to harp again on competitiveness, but that is our biggest threat right now. We have consumers who are rightfully concerned with the rising costs of food, and we have growers who are facing diminishing margins, historically high cost of production and risk to their operations that are unprecedented. It is imperative that we step back, that we acknowledge and we look at the competitive disadvantages that we face, we place a value on domestic food production and food supply, versus those imported substitutes, and we assign the burden equally and fairly.

Right now, as a primary producer, a lot of us are sharing a disproportionate burden on those increased costs of production and the pressure on retail prices. So between primary producers like us, government, retailers and consumers, we need to come to a solution together that we share that burden and that cost so that we can maintain a domestic food supply and protect Ontario's food independence.

Mrs. Karen McCrimmon: Okay, that's awesome. How much time? Do I have another minute?

The Acting Chair (Mr. Andrew Dowie): You have two minutes and 40 seconds.

Mrs. Karen McCrimmon: Okay. Mr. Brackett, you're next.

Now, I totally agree with you about establishing a baseline, but what are the challenges, what are the risks and what things are we likely to miss? That's what I'm concerned about, is that when government creates a baseline, maybe they only capture 80% of it; they don't capture all the different ways that agriculture can be influenced. So if you were going to talk to the government and say, "This is the information I think you really need to collect," what would that include?

Mr. Jim Brackett: Well, that's a multi-faceted question, and I'll try to see if I can touch on it.

Mrs. Karen McCrimmon: Give us a few ideas.

Mr. Jim Brackett: You've got to look at the whole business, I guess is what first comes to mind. We're facing input costs—so high right now. Part of that is to do with things happening around the world, whether it's embargoes, that only we in Canada are facing in terms of our input costs; whether it's the price of fuel that is skyrocketing. So we've got to look at the whole chain, from inputs to the end. We recognize that we have to—as the greenhouse people have been talking about—add value to our products. The more we can build value in—and that might be the newer dairy barns, the pork—loose housing, trying to keep up with what the world wants; we have a number of barns being built around this area that we're converting to loose housing. So we've got to look at the whole picture.

The Acting Chair (Mr. Andrew Dowie): One minute left.

Mr. Jim Brackett: Number one: inputs. For example, the taxes on fuel, which is a major input for farming, are one thing you could look at. That may not be a provincial jurisdiction, but it's certainly of importance—so many areas.

Mrs. Karen McCrimmon: Quick question: The chaos around the world right now that's making your life very difficult to predict, the stability—what can the government do to actually enhance whatever things we can control, whatever stability we could help create?

Mr. Jim Brackett: Well, I think the thing to look at is what we do have control over as a government and try to minimize the effect that that has on farms. There are people out there saying that their input cost this year, their cost of production, is 50% higher than last year. They're not likely going to—we are very resilient—

The Acting Chair (Mr. Andrew Dowie): That concludes the time for the third party.

We'll move on to the government side. MPP Vickers, the floor is yours.

MPP Paul Vickers: My question is for Steve or Richard. The Ontario Greenhouse Vegetable Growers represents close to 170 growers across 4,500 acres of glass, from Windsor all the way up to Ottawa, and it accounts for 69% of Canada's greenhouse vegetable farm cash receipts. This sector exported over $2.3 billion in fresh vegetables in 2024.

How important is it that farmland protection legislation, like the Farmland Security Act, considers the needs of capital-intensive land-based operations like the greenhouses? And how would this legislation help keep Ontario's greenhouse sector globally competitive?

Hon. Steve Peters: I'll start quickly, but I want to turn it over to Richard, because Richard has far more experience in the greenhouse sector than I have had in my last two years as chairman. What I have seen is, if Ontario growers have the right tools, they're prepared to make those investments and grow. It's just the resiliency of the sector and the innovative nature of that sector. They realize what they can do and what they can contribute to our food security.

But I'm going to turn it over to Richard to just let him go into a little more detail. Richard?

Mr. Richard Lee: Yes, thank you. Ultimately, we also see a lot of the investment needs to stay here—as we alluded to earlier, almost 50,000 jobs that are contributed to, that sector. But we can't forget that this is a high-capital-intensive sector. So that's where we're asking for that consideration, because when you look at a parcel of land, whether it be 50 acres at a $2-million investment per acre to erect a greenhouse, and then you look at the multiplier effect when that family looks to exit the agricultural sector, it's not a whole lot of people who are able to cut that cheque to take over that operation. So, we need to understand whether the limitations are on acreage or the definition of ownership as previously prescribed.

We want to make sure that that investment stays in Ontario. We've lost over 500 acres to the US, and that was based on poor policies. We need those policies to evolve here in Canada—here in Ontario—and to be reviewed in a timely manner, not when we have situations like cost of production rising through the roof and farms no longer profitable. We need those checkpoints sooner than later to ensure that the policies implemented continue to support that agriculture and investment here in Ontario.

MPP Paul Vickers: Thank you, Steve and Richard. The more we get into this Farmland Security Act and the issues about protecting the ownership of farmland and the investment in farmland, you guys aren't making it any easier for us to come up with any one policy to fit. There's no one size for all, that's for sure. So, I do thank you for your input and your time here today.

The Acting Chair (Mr. Andrew Dowie): Thank you.

MPP Pinsonneault, the floor is yours.

Mr. Steve Pinsonneault: My question is for Jim again. As Bill 109 moves forward, what would you like to see prioritized in the Grow Ontario Strategy to support the Kent Federation of Agriculture members, going forward?

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Mr. Jim Brackett: I think the number one thing is to consider that we are a segment; Kent is partnered with every other county across Ontario—southwestern Ontario as well as all of Ontario.

So what can you prioritize? I think being very careful with this bill, so that it enhances the ability to grow or start a business, so that it protects the young farmers and the expanding farmers. It also protects against ourselves, which I alluded to before.

We do need, to John's question, protection of the land itself, not just who buys it. Right now, if you look at the land that has disappeared within our own province, as I've mentioned before, to other uses, we need to really look hard at that. An agricultural assessment seems like a great thing, but it never seems to mean anything. They do the assessment and the development moves on. So the way this is designed, the thought put into it, reaching back out to people like who are in this room talking to you, so that the consultation is there and we can try to help—

The Acting Chair (Mr. Andrew Dowie): One minute left.

Mr. Jim Brackett: I don't have the answers right now, Steve, but that's—

Mr. Steve Pinsonneault: Thanks for that. Honestly, that's why we are going right across the province: to make sure we do get input from everybody. I think, at the end of the day, we're going to come to some conclusion that's going to be beneficial to everybody across the board. Thank you for that.

The Acting Chair (Mr. Andrew Dowie): We've got about 40 seconds left. Anyone want to take it? Okay, we'll conclude the government's time.

We'll move to the official opposition. MPP Vanthof, the floor is yours.

Mr. John Vanthof: So Bill 109, the protecting agricultural security act to farmlands, or whatever you want to call it—we're all in favour. We voted for it on second. We're pretty agreeable on this committee; we'll vote for it on third.

But given that agriculture is the number one or number two industry in this province, both economic numbers, jobs, and given we all support this bill—and I'm not asking anyone to lambaste the government, but are we actually putting enough focus on this sector? And what would be your number one issue to that the government of Ontario could do to solidify the agriculture? And this bill is fine. We need to be careful with the foreign investment. But is this really the number one issue that we need to be looking at right now in agriculture?

Hon. Steve Peters: I'll start, Mr. Chair, and I'm sure my other colleagues will have something to say.

It is an important issue. Everybody needs to eat, and I think governments of all stripes over the years have struggled with how to deal with agriculture. I know I saw that in my own time. And this is where I come back to the need of a whole-of-government approach.

The Grow Ontario Strategy has so much potential. If we can get it ingrained all across, in every sector—that school food nutrition programs are going to focus on buying Ontario product; that Ontario facilities such as long-term-care homes and educational institutions are going to focus on Ontario products—those are all indirect ways that we can help to support the agricultural sector here in Ontario. But it is one that, in many ways, we need to just take the political stripes off and just, much like this committee is doing right now—and you just pointed out that you're going to be supporting it. This is what we need more of to happen. And collectively saying, "Look, if Grow Ontario is going to succeed, we can grow that right here in Ontario, we can add value to that right here in Ontario, but we need all those other institutions to make that a priority as well too."

Jim?

Mr. Jim Brackett: I would agree with everything that has been said. I think the thing that makes it the hardest in the farms is, if I go to Chatham-Kent alone, we have a municipal election going on right now. The hardest thing for us in agriculture, which we're trying to influence, is to influence the minds of our voters.

We are three and four generations removed across the province in terms of from the farm. People don't realize where their food comes from. They think it just magically appears in the grocery store. So education is so important. We have combined with Richard and the vegetable growers and the home realtors here in Chatham, as well as the home builders, and with four farm groups, and we hope to put on an educational meeting for our 70 to 80 candidates that are running in this municipal election, and I think that's important across the whole province: education.

People don't believe we're the largest industry. They don't believe that we're not responsible for the high prices they're paying in the grocery store. They see our pickup trucks, they see our combines: "Everybody on the farm's rich, why should I care about them?" We need education, badly.

Mr. John Vanthof: Is Mike still on?

Mr. Mike Chromczak: Again, I can echo all of the comments made. But right now I see an unprecedented opportunity at the federal level as well for pressure and co-operation from Ontario to modernize and update a fairer set of programs—BRM programs in particular—for Ontario. Ontario has gone above and beyond, implementing its own programs to compensate for shortfalls at the federal program—self-directed risk management being one of them. But I think that, right now, for the first time in my generation as a farmer, the federal government is signalling that there's a priority on food and to see things through an economic and a food lens, and we would encourage continued co-operation at the FPT level in the next policy framework to help ensure that Ontario gets a fairer share of that federal support and those federal dollars in a lot of the existing BRM programs. I think that the sky's the limit for what Ontario can produce—again, coming back to competitiveness—as long as we are competitive, as long as we are viable and sustainable, I think that growing Ontario's food economy has nowhere to go but up.

The Acting Chair (Mr. Andrew Dowie): One minute left.

Mr. John Vanthof: In my final few seconds, I'd like to thank you. I thank you all. I think one of our—and I've noticed this in my 15 years already in the Legislature—common, of all parties, issues we face is we are such a small segment of the population to convince people in an electoral business that operates on numbers, and that's something—to the education—we need to do a better job at.

Again, I'd like to thank the government—I often don't—that we're actually having an agricultural discussion about an agricultural bill in an agricultural area. Thank you.

The Acting Chair (Mr. Andrew Dowie): Thank you very much to all the presenters for your presentation and for all the time you put into preparing.

BONNEFIELD FINANCIAL INC.
KEYSTONE FARMLAND
CHATHAM-KENT CHAMBER OF COMMERCE

The Acting Chair (Mr. Andrew Dowie): We will now move to the next round of presenters. We have Bonnefield Financial, with Mitchell King, principal; Keystone Farmland, with Sean Dobbelaar, CEO; and Chatham-Kent Chamber of Commerce, Rory Ring, president and CEO.

Thank you to all the presenters for being here. Just a note to all of you: The microphones will turn on on their own. You don't have to touch them or go near them; that will be taken care of for you. You'll have seven minutes for your presentation. Please state your name for Hansard right when you begin and I will provide you with a verbal reminder to notify you when you have one minute left for your presentation or your allotted speaking time.

1400

I will start with Mr. King. Go ahead.

Mr. Mitch King: Mitch King. Good afternoon, Chair and members of the committee. Thank you for the opportunity to appear here today to speak on Bill 109.

My name is Mitch King. I'm a principal at Bonnefield. I'm here today not only in my capacity as a professional but also from a personal perspective. I grew up on a cash crop farm in Uxbridge, Ontario, that my family continues to operate today. Like many farm families, we faced the reality that there wasn't enough land or capital to support multiple families with the same operation. That led me to study ag business and economics at the University of Guelph and eventually to my role here at Bonnefield.

For those who may not be familiar of Bonnefield, we raise money from investors and provide it to Canadian farmers. We are 100% Canadian-owned and Canadian-managed and we exist to support Canadian agriculture. We don't farm land ourselves and we don't compete with farmers.

We work with farm families who want to access equity that they have tied up in some of their land holdings so they can grow their operations, reduce debt or transition farms to the next operation. We do this by purchasing some of their acres and leasing it back to them on a long-term basis, all while providing them options to purchase that land back again in the future. In doing so, we provide farmers with an affordable alternative to additional bank debt.

We also work with farmers to acquire new acres, often land that they have already been leasing from another party that's put up for sale at a time when their economics may not allow them to purchase that land today. In this, they retain access to those acres they need and have time to build up the equity to potentially purchase that again in the future.

Since 2010, we provided over $700 million to 80 farm families across Ontario. Just as importantly, we have already sold 32 farms valued at more than $160 million back to those same Ontario farmers. This is a core part of our model: helping farmers grow today with a goal of transitioning ownership back to them over time.

Let me start with a point that I think is important: Bonnefield supports the objectives of Bill 109. Ontario farmland is a strategic asset. It is critical to our food supply, our rural communities and our economy. We agree that farmland should remain under Canadian control and we support measures that prevent direct ownership or control of Ontario farmland by foreign entities.

Our concern with the bill as currently drafted is it may unintentionally capture something very different: passive investment capital that is directed and controlled by Canadians. The key issue for us is control. If a foreign company is deciding what happens to farmland, who farms it or where the commodities go, that's a legitimate concern. But that's not how the Bonnefield model works. Bonnefield makes all investment decisions in Canada, through the lens of supporting our Canadian farm partners. Our funds are structured as limited partnerships. Our investors are passive. They do not direct investment decisions, they do not manage farmland and they do not control our business. All control remains with a Canadian-owned and Canadian-managed organization that exists to support Canadian agriculture. In this way we are not much different than a Canadian bank providing a mortgage to a farmer. The shareholders of the bank do not direct the lending decisions, just as our investors do not direct our investment decisions.

Why does this distinction matter? Because farming and modern agriculture is a capital-intensive business, and access to capital remains the biggest challenge facing Ontario farmers today. It's especially difficult for younger and mid-sized operators looking to expand their operations, grow their land base or finance a transition from one generation to the next. Farmers have far fewer financing options than other industries, and the demand for capital we see from Ontario farmers continues to exceed the supply available from Canadian sources alone. That's why Bonnefield has raised capital from some non-Canadian, US and European investors, in addition to our usual Canadian sources.

Let me give you a concrete example. In 2013, Bonnefield purchased 6,500 acres of prime farmland in Dufferin county valued at over $65 million at the time, an amount much larger than local farmers could absorb at that time. It was purchased from a large hedge fund that had the plan to develop this farmland into a mega gravel quarry. Instead of that land being developed for industrial use, Bonnefield preserved that farmland and supported six local farm families to operate it. Today, 13 years later, nearly all of that land, along with 24 houses and numerous agricultural buildings, have been sold back to those same farmers, remain in agricultural production and support a vibrant local community.

As currently written, the act would prevent Bonnefield from repeating this success story. That's because the act's language would prohibit foreign entities from directly or indirectly acquiring interest in farmland. Our concern is that the word "indirectly" may be interpreted broadly enough to capture Canadian-controlled entities like Bonnefield that access passive investment capital from outside of Canada.

The uncertainty around Bill 109 is already having real-world consequences. We've had to pause capital-raising activities from non-Canadian sources, and we have also had an existing European investor withdraw from Ontario agriculture partly because they view the proposed bill as creating an unfriendly investment climate—this at a time when we have approximately $200 million of demand from Ontario farmers that we are unable to satisfy.

For these reasons, our request is very narrow. We are asking for two targeted amendments in this bill.

First: To clarify that Canadian-controlled entities are not considered designated persons under the act using the same concept that already exists under the federal Investment Canada Act.

The Acting Chair (Mr. Andrew Dowie): One minute left.

Mr. Mitch King: Second: To clarify that the prohibition is intended to target direct or controlling foreign ownership, not indirect, non-controlling, passive investment that is directed by Canadians to support the ag industry.

In our view, those amendments would preserve the core purpose of the legislation while ensuring Ontario farmers continue to have access to capital they need to grow, reduce debt and transition their farms to the next generation.

Chair and members of the committee, we believe Ontario can protect farmland from foreign control while maintaining farmers' access to capital they need. We do not believe these goals are in conflict.

Thank you for your time and consideration, and I look forward to addressing your questions.

The Acting Chair (Mr. Andrew Dowie): Thank you very much for your presentation.

We'll move to Keystone Farmland. The floor is yours. Please state your name for Hansard and go ahead.

Mr. Sean Dobbelaar: Thank you, committee, for inviting us to participate in this process. My name is Sean Dobbelaar. Similar to Mitch—I'm probably going to repeat a lot of the similarities: young farmer; processing fresh market vegetables; cash-crop family farm located shortly from here in Wallaceburg, Ontario.

My background is in ag finance. I started my career at Farm Credit Canada and moved on to the Bank of Montreal. I financed greenhouses all the way to simple farm purchases, so I think I know the lending side quite well. From there, I moved into buying farmland and managing farmland on behalf of Canada's top insurance company.

And a short time ago—approximately three years ago—I started and co-founded Keystone Farmland Management as a young farmer understanding the need of capital in this space.

There's a reason why I work off-farm. The reason is because we can't afford to have multiple people drawing a wage off a farm. There just simply isn't enough cash flow. It's a very low-cash-yielding industry, and from an asset standpoint, it's relatively low-cash-yielding.

Keystone Farmland's ultimate goal is to support young farmers like myself. If you look at the average age of a farmer here in Ontario, it's 58 years old. The average age of our portfolio farmer or tenant partner is somewhere around 42 years old. Again, we're doing what we say we want to do. We want to support.

I don't want to go into too much overlap with Mitch because he's done an excellent job in, really, presenting a model that's quite similar. We do not take any sort of ownership or direction over the crop. We work with farmers on long-term leases. And just like Bonnefield's model, we look to sell our farmland back to those very same farmers as they continue to build up their portfolio of farmland and ultimately execute their own family's succession.

Speaking about succession, I think Canadian farmland in general, let alone Ontario farmland, has a major crisis coming, and it's coming fast. It's going to be a farmland succession crisis.

Firms like us are there to help family farms. We just acquired 400 acres this spring to facilitate an exit of a partner in a business. They could not raise the traditional debt from Farm Credit Canada or one of the top five banks or a credit union, or they weren't comfortable at that debt level. Often, transactions were acquiring land that families have farmed for 10, 20, 30 years, and they either cannot get the bank financing or are not comfortable with the debt level.

We come in and we provide that financing through land-lease partnership. Again, similar to Bonnefield's model, we focus on long-term leases. We do not look to rotate tenants. We try to negotiate in good faith as we renew. And ultimately, our exit plan is to 98-plus per cent of the market—the farmers themselves. We want to sell back to farmers if and when we want to dispose capital.

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I want to make something very clear in our model today: We are not conflicted. Keystone Farmland has zero foreign capital in our singular fund today, which is an evergreen LP fund. This is why I started this business—because I've seen a huge need for capital. I'm a young farmer. I've lived the side of debt financing. I know how debt financing works, and I know that farmers cannot expand, specifically young farmers, with traditional debt. We need partnership.

For the brief minute of us sitting in here, I heard about—we have a story to tell as farmers, as partners to farms, which is that there is a rapid decline in the amount of farmers in this province. There's this thing called human intelligence, corporate intelligence. You don't get back into vegetable farming, per se—John, you would know that well from your previous area. Vegetable farming is very, very intense—years and years of intelligence of how to grow these crops.

We have a huge opportunity in our vegetable processing sector to not only help support family farms but to provide additional capital through crops that are not commodity-based—corn, soybeans and wheat, I'll pick on. We have the land to do it. We have the fertility to do it. We have the growing season to do it. And who are going to be the farmers that are going step up and do it? It's going to be our young farmers in this province.

Our young farmers cannot continue to operate in the models that worked in previous years. There have been significant changes in our tax treatment of family farms and how these family farms are handed off to the next generations—again, another barrier.

My family farm—and I'll speak about mine specifically. I've got two sisters, I've got a brother, myself—all of us work off-farm. We all pitch in in one way or another. What will happen to our family farm if we can't have partnership capital, if we cannot work with the same landlords that—really, the relationship is just like the neighbouring farm that we've rented for 30 years? Eventually they're going to want liquidity, and the farmers themselves—specifically young farmers—can only take on so much traditional debt financing.

If we don't have creative forms of capital like ourselves, we will see those young farmers eventually exit the industry. And it will be a slow, painful exit, because eventually they will realize that off-farm jobs are the only hope they have, and they're not going to be able to go to the farm. They're not going to be able to return.

The Acting Chair (Mr. Andrew Dowie): One minute left.

Mr. Sean Dobbelaar: There's going to be some significant life event that's going to happen, and they will exit the industry, so now, we've lost that intelligence.

We have a great processing tomato industry here in Ontario. Who are going to be the farmers that support that industry, the agri-food, the value we create, the GDP? We need to support young farmers, and responsible capital investment, responsible farmland management, is the solution, whether it's domestic, whether it's foreign.

We have a federal Prime Minister who speaks about foreign capital, attracting foreign capital. We have an opportunity of not only the decades—of the century. People want to invest capital in Ontario and in Canada. They want to invest that capital specifically into farmland on 30, 50-year-plus horizons. Why would we turn away that capital? It's responsible capital, it's long-term committed, and when properly managed by domestic management companies—

The Acting Chair (Mr. Andrew Dowie): That concludes your time. Thank you so much.

We will move to the Chatham-Kent Chamber of Commerce. Please state your name for Hansard and the floor is yours.

Mr. Rory Ring: I'm Rory Ring, president and CEO of the Chatham-Kent Chamber of Commerce. Thank you, Chair, Vice-Chair and members of the Standing Committee on the Interior for giving me this opportunity to appear today.

One of the core messages I'd like to bring to you is that at the chamber of commerce, we support Bill 109, and in particular, the farmland protection through schedule 3, Farmland Security Act, 2026. We're asking the committee to make Bill 109, schedule 3, stronger by making it clearer, more targeted, more practical and better aligned with how modern farms are financed, transferred, kept in production and supported by carefully defined economic development pathways.

Chatham-Kent is a key agriculture-driven community in Ontario's economic landscape. Our economy is built on the connection between farmland, family farms, food processing, greenhouse vegetable production, transportation, rural services and our many Main Street businesses that thrive because of this sector. For that reason, we support Bill 109.

Ontario farmland is not just a strategic producing asset; it supports food independence, domestic production, rural employment, processors, farms, families and public confidence in the province's agricultural future. Farmland is also a farm retirement asset, collateral base, succession instrument and operating foundation. If the rules are too broad, too slow or too uncertain, they could unintentionally harm the farmers and the rural communities that the bill is intended to protect. That is why we recommend conditional support for proceeding with the farmland protection objective, but require clear safeguards before the acquisition restrictions begin affecting the real farm transactions.

(1) Define those rules before restrictions affect the market. Schedule 3 creates a framework to restrict acquisition of farmland or interest in farmland by designated persons. It also provides conveyance disclosures, registration refusal, ministerial permissions, review regulations provided for it, inspections, investigations, orders, offences, fines and broad regulation-making powers.

The challenge is that many of those most important business questions are left to regulation. Farmers, lenders, lawyers, accountants, municipalities and buyers need to know how the terms "designated person," "foreign control," "beneficial ownership," "indirect acquisition," "interest in farmland," "active farming" and "Canadian-controlled active farm businesses" will operate. Clear definitions do not weaken Bill 109; they will strengthen it. They make the bill enforceable, predictable and targeted at the actual risk: harmful foreign-controlled speculative or non-productive acquisitions.

(2) Protect succession and retirement. Farm succession is one of the largest economic transitions, and we hear the oncoming challenges facing agriculture. Canadian research shows that succession planning transfers controls and ownership before retirement, yet most farmers do not have a formal written plan, and nearly 60% of Canadian farm operators are projected to be over the age of 65 by 2033. That matters because a retiring farmer may not have a child ready to take over. Their best buyer may be a neighbouring incorporated farm, a Canadian-controlled farm business, a processor, a greenhouse operator, a livestock operation or another active agricultural business.

If Bill 109 narrows that buyer pool without clear exceptions or fast-track approvals, it may reduce liquidity, delay retirement, lower negotiating power or force more complex and costly transaction structures. That outcome would not protect farmland; it would make farm transition harder. The committee should require explicit exemptions for bona fide operating farmers, family farm corporations, partnerships, trusts, estate and intergenerational transfers, succession-related reorganizations and Canadian-controlled active farm businesses. It should also recommend an explicit process for retirement, estate and transition sales where active farming will continue.

(3) Preserve financing certainty and productive agricultural investment. Modern farming is capital intensive. Southwestern Ontario farmland values remain high, and that means farmland is not only land; it is collateral. It supports refinancing, succession plan financing, expansion, drainage, storage, livestock infrastructure, greenhouse development and transition planning. If lenders are uncertain about the resale rules, security enforcement, receivership, refinancing or who can acquire farmland in the future, they may price that risk into their loans or become more cautious. That would affect young farmers, expanding farms and, again, succession planning. Bill 109 therefore should be protecting mortgages, refinancing, vendor take-back financing, sale-leaseback, joint ventures, farm debt restructuring, structured enforcement, receiverships, solvency processes and the use of farmland as collateral.

The committee should also recommend that the regulations distinguish productive agricultural investment from speculative landholding. Investment tied to active production, processing, employment, supply chain resilience, greenhouse, livestock development, Indigenous food sovereignty and agri-food innovation should not be treated the same as passive land banking or foreign-controlled speculation.

(4) Avoid making acreage the main test. If a 50-acre or similar threshold is considered, it should be treated as a consultation issue and tested against buyer risk, beneficial ownership, active use, commodity, region and transaction purpose. A single province-wide acreage number control reflects the differences between greenhouse production, livestock operations, field vegetables, grains or oilseeds and the risks should be measured by controlled purpose and use.

The Acting Chair (Mr. Andrew Dowie): One minute left.

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Mr. Rory Ring: Finally: Protect farmland conversion as well as harmful acquisition. It should be understood that a farmland protection bill is not only a farmland ownership bill. Acquisition restrictions address one risk, but farmland might be lost to housing, employment lands and community growth that cannot be accommodated within existing settlement areas.

In a rural, smaller-city market, brownfield rural development is often difficult because land values, density and tax increment potential are not high enough to absorb environmental assessment, clean-up and risk management costs. That creates a practical market failure, and it may be easier to develop productive farmland than to remediate serviced land inside an existing community. A rural and rural, small city, brownfield remediation stream would help agriculturally driven communities reuse existing serviced land for housing, affordable community revitalization and employment-supportive growth while reducing avoidable pressure on productive farmland—

The Acting Chair (Mr. Andrew Dowie): All right, that concludes our time.

We will start with the government side. MPP Cuzzetto, the floor is yours.

Mr. Rudy Cuzzetto: I want to thank all the presenters here today.

This question is more for Mitch here. With over a billion dollars of assets under management supporting Canadian farmland, how do you see Bill 109's overall goal of strengthening food independence aligning with Bonnefield's mission to help farmers and families plan for the long-term future in the farming industry?

Mr. Mitch King: Thank you for that. As I said earlier, we're aligned. Bonnefield exists to support Canadian agriculture. We believe in Canadian ag. We talk with individuals all around the world about all the unique aspects we have here in Ontario and Canada about—Sean mentioned them: the fertile soil, the access to water, the great operators. And so we believe in creating a secure environment, but investment-friendly environment, so that we can enable those farmers to do what they do best, which is grow great crops and great commodities and continue to contribute—have this sector contribute to our economy.

The Acting Chair (Mr. Andrew Dowie): MPP Leardi, the floor is yours.

Mr. Anthony Leardi: Okay, my questions are going to be for Sean and Mitchell. I'm going to ask a few questions, because I want to make sure I understand what your presentation was all about. So your investors don't want to run farms, correct?

Mr. Mitch King: Correct.

Mr. Anthony Leardi: Your investors don't want to own farms, correct?

Mr. Mitch King: Directly, correct. They—

Mr. Sean Dobbelaar: And I'm sure—maybe I'll talk through yours. I don't know if mine's lit up.

They want to own farmland. I mean, each investor has their own reasons why they want to invest in farmland. Some are very passionate about farmland and are older and understand that farmers do need help. Some are simply looking to impart generational wealth. I would look at our investors; they're very passionate about soil health.

Mr. Anthony Leardi: Sean, your investors are all Canadians?

Mr. Sean Dobbelaar: My investors, today, are all Canadian. We are not conflicted, yes. Correct.

Mr. Anthony Leardi: Mitchell, some of your investors are not?

Mr. Mitch King: Yes, that's correct.

Mr. Anthony Leardi: They don't want to own Canadian farms; they want to invest and get a return on their investment.

Mr. Mitch King: They want to get a return on their investment because they also believe in Canadian agriculture. They would not be providing capital to Canadian farmers or to a Canadian-managed firm like Bonnefield if they didn't believe in Canadian agriculture being able to generate a return.

Mr. Anthony Leardi: But they still need some kind of security for their investment.

Mr. Mitch King: Exactly.

Mr. Anthony Leardi: So let's talk about models. The traditional model is a farmer owns the land, goes to a lender, gets a mortgage, and that's his financing.

Mr. Mitch King: Correct.

Mr. Anthony Leardi: That's a traditional model. There are other models.

Another model is the family owns the farm, they have a farm corporation, and the family members own the shares in the farm corporation. They have all the control over the operations because they have all the voting shares. But they need to raise money, so they create another class of shares that are non-voting shares; we'll call those class B shares. The family members who own the farm have the class A shares; they have all the voting rights and all the control over how their farm runs. They create a different class of shares called class B shares which have no voting rights whatsoever and have no authority on how to determine how the farm runs. However, the class B shares, if there is a profit, they get paid before anybody else. The class A shares don't get paid until the class B shares get paid. Is that a model which any of you use?

Mr. Mitch King: No, not at all. Our only relationship with the farmers is that we purchase land whether that's purchasing land that they already own, that they're looking to free up equity in and to reinvest in the business or transition land to the next generation, or if the neighbour's farm comes up for sale and they say, "Hey, do you know what? I've been leasing this farm from the neighbour for the last 10 years. They told me that they are exiting and I want to be able to farm it"—but as Sean mentioned—"I don't have the cash flow to be able to go to the bank and take on that additional debt." So they'll call us up and say, "Would you work with us on this purchase?" We'll go purchase that land directly. We don't hold title in any sort of joint venture. It would be the Bonnefield limited partnership on title, and then we would lease that back to them on a long-term basis. So we'll have long-term leases that allow them to plan their business appropriately, make sure that they can purchase their equipment, have the grain infrastructure they need and then also provide them with a path to purchase that back from us over time. We stay out of the direct farming operation, and we work with them really on a landlord-tenant relationship.

Mr. Anthony Leardi: Let's deal with Bonnefield separately for a moment. Bonnefield, in order to secure their investment, does take an ownership interest in the land.

Mr. Mitch King: Correct.

Mr. Anthony Leardi: You might have foreign investors who would have an ownership interest in the land through Bonnefield.

Mr. Mitch King: Yes.

The Acting Chair (Mr. Andrew Dowie): One minute left.

Mr. Anthony Leardi: I understand that now.

Mr. Mitch King: Through the limited partnership basically everyone commits to this blind pool, to this limited partnership, and then Bonnefield as the manager makes those decisions about the farmers we work with, how we transact. The investors cannot direct how much we purchase for, how we relate with our farmers, when or where we sell, where the commodities go. They are passive in that way.

Mr. Anthony Leardi: They're just landlords.

Mr. Mitch King: Exactly.

Mr. Anthony Leardi: Last question: Do any of you use any kind of—for lack of a better word—share-cropping model?

Mr. Mitch King: We do have some flex leases. The majority of our relationships are cash leases. But we do have some flex leases where there is a base rent component and then there would be another component that's paid based on either the revenue or just the overall yield or production of that commodity that's growing in that year.

The Acting Chair (Mr. Andrew Dowie): That concludes the government's time.

We'll move on to the official opposition: MPP Vanthof.

Mr. John Vanthof: Thank you to all three of you for coming. I really appreciated your presentations, and the clarity and candour.

Just for clarification, I also own farmland, and the guy who rents from me approaches me on a regular basis to be bought out by an investment company. Because he wants the security of that land. So I get it. You have a story to tell, and I don't disagree with anything you've said.

But I also have a story to tell, and maybe your model is hastening this issue, but I have—and I'll use one township as an example—where the investment firms control most of the land. It's a double-edged sword, as they buy up the farms—and the people want to sell the farms, right? The population of the township is crashing or has crashed. There are municipal drains going in, all this stuff. But there are no more people to pay the tax and there is not much tax on farmland. When that township approaches me, I basically tell them, "You are at the point when you just need to hand the keys over to the province." How do you propose that—because this is going to happen more and more—in places like northern Ontario where there is lots of potential, but not much people—how are we going to reform the tax structure or is the province going to have to pay for the roads and pay—because it's going to happen. Bridges aren't being put it and sometimes farmers—I'm a farmer—but we don't need the services that those smaller farmers do." I say, "Okay, show me a class 10 combine that can go on that bridge." You need bigger services, right? And you get what I'm talking about. So how do we proceed? How do we reform the tax structure or something, so that those 100 people aren't going to be forced out of their homes because they can no longer pay taxes for modern agriculture?

1430

Mr. Sean Dobbelaar: Speaking from an investment firm on taxes in every different county—this would be coming from a farmer's perspective, or just a community participant. I think, John, specifically what you're referring to is small, rural communities that are losing their base population—maybe jobs, manufacturing. I mean, we see it here: In the municipality of Chatham-Kent, there is a constant need—I think annually, for the last seven years—to review the tax base of the farmer. The farmers do not use the services that a residential person uses—that is 100% true—but certainly they do put more strain on rural infrastructure.

Beyond that, I don't know, in the scale or in the comps of Bill 109, how property taxes would relate into this, but I think that's a greater provincial issue—if not Canada issue—in how we assess these tax bases. I mean, today it's 25%; each municipality or township gets to set their mill rate and how they want to deal with that. From a farmer's perspective, I certainly understand what you're saying.

We have to be very mindful of what's going on with MPAC. We have not had an update since—what is it, 2016?

Mr. John Vanthof: If I could break in—

Mr. Sean Dobbelaar: Of course.

Mr. John Vanthof: In my own township, the population has dropped from 600 to 150, and it's rural. One thing I did notice when I drove down the 10 hours—or rode in the bus for four and drove for six—is that most of rural Ontario, at least on that trip, is much more mixed. There are more houses, more small manufacturing.

Where I come from, agriculture is it. There will be a township and 500 people, which is now down to 100. Your investment model has created a great place to farm—I'm not denying the investment that has gone into that township—but now the township itself is bankrupt. And this isn't a next-year problem; this is a now problem. They have to do the engineering for municipal draining, which they'll get the money back for, but they don't have the money in the first place and they can't borrow it. Like, how do we proceed?

Mr. Sean Dobbelaar: John, I certainly think that if you look at firms like ours, we are creating economic value. We are not only investing in farmland.

I'll use a property that we just acquired. It's a former tobacco barn.

The Acting Chair (Mr. Andrew Dowie): One minute left.

Mr. Sean Dobbelaar: We went in there—derelict buildings, old irrigation ponds. We're going in and we're paying local contractors to tile-drain that land. We're cleaning up those facilities in an environmentally responsible way. We are rejuvenating irrigation ponds, so that we are now going to have potatoes being grown on that farm. We are making active investments. We're not just buying farmland; we're making investments in that farmland.

So as far as your specific rural area, I certainly can appreciate your concerns, but I don't think that is anywhere related to the realm in which we operate, which is passive farmland ownership on behalf of investors, managed responsibly by Ontario-based or Canadian-based farmland management companies. I'm having a hard time drawing a correlation between those two things.

We are investing in these communities, and we are targeting young farmers who are going to remain in those communities. Thank you.

The Acting Chair (Mr. Andrew Dowie): Okay. That concludes the official opposition's time.

We'll move to the third party. MPP McCrimmon, the floor is yours.

Mrs. Karen McCrimmon: Question: Can we get copies of their presentations? Is that something that's been organized in advance? I've found them very helpful. Thank you.

I'm going to start with Mr. Ring. What a list. It is a bit overwhelming listening to you. You think, "Oh, my God. We have all this"—

Mr. Rory Ring: In terms of the copy, I did send a document in, as well, so that should be available to you.

Mrs. Karen McCrimmon: Okay, good.

I try and counsel people when they come forward: "Give us some ideas or give us language or give us a starting place, because this is not my experience, but I want to make sure we do this right." So, I really appreciated your list. I started writing it down, but I know I'm not going to be able to write all of this down.

I think one of the things you talked about was making sure that we've got the details right. The devil is in the details. Now, when we go from this stage—this is baseline, this is just enabling legislation—how do we make sure that we design the next steps so that we capture everything that you spoke about in your presentation?

Mr. Rory Ring: I did reference in the submission that I made to you a bit of a process, so I would recommend taking a peek at that.

Mrs. Karen McCrimmon: Okay.

Mr. Rory Ring: Certainly, it is to make sure, I think, that we are not impacting the market—as I said in my opening comments, before the rubber hits the road—so that we're not scaring off capital. And when we talk about sources of capital, they can come from many places, and they can come from friendly sources or not-friendly sources. Is that what we're talking about?

So, what if we are capitalized by a Norwegian hedge fund, or an Italian hedge fund, or Chinese or North Korean hedge funds? You tell me where those details are and where the differences are. Because they can make an incredible amount of difference in the way you construct legislation. Now you're talking about value-driven alignment in a world, as I commented, where the federal government is outsourcing capital from Saudi Arabia—who we would have some value issues with, to be quite frank with you.

But it's to remember that this is a business. We represent here locally almost 400 businesses in Chatham-Kent, and many of those, the majority of those, would be part of the supply chain. And that's the benefit.

John, to your comments around taxation, that's where the investment needs to be made: in building the infrastructure for the agricultural community to thrive so that we can begin to add value to a commodity-based economy that we have been doing for decades, if not over a century. It's that value added that's going to add to your tax base. Those are the kinds of investments that we need to be making.

The bridges, the control of water in Chatham-Kent is absolutely critical to farming here, but you cannot expect the agricultural community and the business community to pay for it all the time through the property tax system, because we only utilize 60% of the services offered by that. The province and the feds are going to have to step in and think about what it means to provide economic-enabling infrastructure. That's absolutely critical, and that's one place to start.

Just to go back, if I can—I'm sorry I'm spinning around a little bit—but that, again, takes away from the capital available to any of those businesses to invest, so they have to go out and source this. And who, at the end of the day, is benefiting the greatest from the success and the collection of taxes, of revenue? It is not your municipality. It's the province and it's the federal government.

You think about succession planning and the tax burden that has to be capitalized when you are transitioning. Depending on the many different structures—and there are. Some of them have tax advantages, depending on the size of the firm, if you like; some of them don't. So taxation is a very critical component in the success of how Bill 109 will interact in terms of the acquisition or transition of a farm, and the availability of that capital and where that capital is going to become sourced from. They are interrelated.

But I think the key is to understand that it probably has the largest GDP contribution per capita than any industry. My friend Jim here is saying that, if you think about here—$4 billion in GDP in Chatham-Kent produced by 1,800 members of the Kent Federation of Agriculture. Let's do the math on that. It's not hard to realize that that's probably a worthwhile investment. We have 20% of the drainage required in Chatham-Kent. That's a tremendous burden on the municipality that has to be borne by somebody, and there's only one taxpayer.

We need to rethink a lot of our thinking. And that's something I think Bill 109 is really sort of structuring—a way for us to revisit how we treat agriculture and as an economic asset.

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The Acting Chair (Mr. Andrew Dowie): One minute left.

Mr. Rory Ring: I know that's a big laundry list to try to get right, but you've got to get it right. It's just so critically important.

One of the things I have in there too in terms of protecting farmland is around brownfield remediation, especially around housing development—providing a small community with the ability to fund remediation, because you're not going to get the ROI back on it like you would remediating a piece of land in Mississauga. It's just not available to us. Through existing streams, it would be good to see some brownfield remediation support for public-private partnerships. There's another example of how we can sort of tackle this subject.

Mrs. Karen McCrimmon: Thank you very much. Those are exactly the kind of ideas that we need to hear. And because it's so complex just to try and—gee. You, the experience at that table—how many years of your lives have you spent trying to get to the point—

The Acting Chair (Mr. Andrew Dowie): That concludes the time of the third party. My apologies.

We'll move on to the government side. MPP Pinsonneault, the floor is yours.

Mr. Steve Pinsonneault: Thanks to all of the presenters for being here today and being part of our consultation process.

My question is for Rory. Thank you for your commitment to this community and your role there. You've led chambers in Sarnia–Lambton, Sault Ste. Marie and now in Chatham-Kent. All these regions have strong agriculture and industrial ties. That's a real wealth of knowledge.

What perspective does that experience bring to how this legislation could support economic growth here in Chatham-Kent?

Mr. Rory Ring: I think it goes a lot to the comments I made with MPP McCrimmon. It's, again, to take a look at this sector as an investment in business and the economy. Sarnia–Lambton will have the most commonality of industry with Chatham-Kent.

But when you look at Sault Ste. Marie—I was up there for eight and a half years—it's obviously a very different kind of agriculture that's required up there. This year, they had 20 feet of snow; summer is like 60 days. But it is a different kind of agriculture. What you're seeing there is the smaller, micro-based, if you like. A lot of cheese is being produced; honey; things like chaga, which is from a birch tree for medicinal purposes; and very much so, a lot of traditional type of agriculture based on the Indigenous culture. There's a lot of learning that can be done to advance that.

Obviously, the discussion around climate change as well can influence, if you like, an investment in northern Ontario in the agricultural sector, but there's also lots of opportunity there to explore those innovations and the technology that would allow more food sustainability and security in northern Ontario. I know you know that Sault Ste. Marie is just the beginning of the north. There is a vast geography that many of us in southern Ontario would not understand. So there are going to be some very interesting innovations and technology solutions that are going to be available for that.

And then that goes back: Where are you going to find the capital? Let's be frank: Traditional capital sources in Canada are risk averse. We need that access to capital.

I think both the Ontario Chamber of Commerce and the Canadian Chamber of Commerce have addressed this issue at various levels around access to capital being important for innovation and the development of technologies to advance our economy, and I think that's going to be incredibly required in northern Ontario specifically, again, because of the conditions of those communities, whether they be remote communities or even small-city urban like Sault Ste. Marie.

Bill 109 has to make sure that especially the investment side and the source of capital has to understand that capital may not just be to grow product but to process it, add value to it or invest in technologies that allow for that sustainability. That's where, around that limitation of available capital, it has to be well-defined. It has to be acknowledged that there are friendly sources of capital and there are those that are here to take advantage. We know that. It's obviously one of the catalysts for this type of legislation. We want to make sure we're not throwing that baby out with the bathwater.

For northern Ontario, I think this is absolutely critical as they start to look at where they will find the sources of capital, because food security up there also is northern sovereignty—northern security, if you like, as well. Because if we are looking to defend the north, we still have to feed those people. We still have to make it economical to feed those individuals that will be securing the north, and right now, it's a huge challenge. Think about paying $20 for a loaf of bread in the Far North.

So there is connectivity. There is connectivity here with 109 and the capital sources that would be required to invest in the innovations, the technology, the transportation—any of those alternatives that can help support the north.

Mr. Steve Pinsonneault: That was actually an amazing answer. It's nice to get your perspective. Being at Sault Ste. Marie, like you said, you are a long way up north.

I know when we were in Timmins there, they were talking about—now, with genetics, they're growing cash crops up there now. Things are moving forward, and in 10 years from now, it'll amazing to see what can be grown even farther north, up to Sault Ste. Marie and as far as you want to go up. But that's all coming in time, I'm sure. Anyway, thanks for the answer.

Mr. Rory Ring: Absolutely, and there is great demand. We even see, in northern Ontario, the brand—just the Canada brand, even just the Ontario brand. I think Richard probably referred to it as well. It captures the imagination in the global markets.

The Acting Chair (Mr. Andrew Dowie): One minute left.

Mr. Rory Ring: That value-added piece is, I think, incredibly important. Again, just to circle back, if you like, the access to capital to allow that to happen is incredibly important.

Mr. Steve Pinsonneault: Yes. Thank you for that.

The Acting Chair (Mr. Andrew Dowie): MPP Vickers, 45 seconds.

MPP Paul Vickers: Just a quick question for Rory: You talked about the interest people retiring out of agriculture. When we're bringing the rules and regulations around Bill 109, who should we make sure is well looked after, the people that are staying in the industry or the people retiring out of the industry?

Mr. Rory Ring: I think both of these gentlemen—you can just tell by the difference in our ages. This should be the focus of the future: the next generation. Obviously, we have to recognize the commitment that the previous generations have made to making agriculture—and what it means to Canada's sovereignty over the generations. You need to be able to recognize that. You also need to understand that we're going to saddle them with one hell of a tax bill when they sell their farm.

The Acting Chair (Mr. Andrew Dowie): And that concludes the government's time.

We'll move on to the official opposition. MPP Vanthof, floor is yours.

Mr. John Vanthof: I'm really enjoying this conversation.

I'd just like to go back to you for a second, Sean. I don't think your model is actually the problem, but what's happening is your model is moving the needle so fast that it's identifying that there's going to be a bigger problem. Farm consolidation—the farms that are benefiting from that could very well be 20 miles away. The tiling and the irrigation ponds do not help the infrastructure in that township, the next township or the next township, and that's something the government is going to have to deal with.

I come from northern Ontario. As we talk about developing northern Ontario, that is going to be a big issue. Somebody is going to have to step up to pay for those municipal drains, because they're not going to get paid. They're not going to get done. The townships don't have the wherewithal.

One thing I heard you say, Rory—I actually agree; you might be surprised. It doesn't really bother me where the investment is coming from as long as the rules are in place to protect the farmland itself. And that's actually not where this bill is going; this bill is concentrating on the investment. We agree with the bill, but it's not actually concentrating on protecting the farmland itself. Would you agree with that?

Mr. Rory Ring: Just to add one thing: I think consolidation in the agriculture industry has been happening since it started, very similar to many other industries where scale and efficiencies are required in order to compete in such a low-margin business. We draw adjacencies to some of the Prairie provinces that maybe have some more restrictive ownership restrictions. And in those jurisdictions, we actually see greater rates of consolidation because it is the ultra-large farms that have that equity base, that can go out and acquire those two quarters when they come up for sale.

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So our feeling is that supporting young farmers, as Sean said, or supporting those smaller and mid-sized operations that don't have the equity on their balance sheet to grow, that's the hope with our model—that we can still provide that strength to that middle sector of the size range, let's say, to be able to, again, contribute to those communities.

But I do think it's an issue that needs to have larger discussion around rural economic development and what that means, not only in northern Ontario, southwestern Ontario, but across the country, because there are fewer farmers today than there were 10 years ago, and I believe the same will be true 10 years from now. So let's be realistic about that reality that we are facing and have these discussions, like we are here today, about what can be done to still be able to provide the infrastructure that we need for those farms and the other people that live in those communities to still thrive.

Mr. John Vanthof: Thank you.

Mr. Rory Ring: Do you mind if I jump in for one second?

Mr. John Vanthof: Of course.

Mr. Rory Ring: Just to reflect on you're "building a drain" and "no economic impact:" Economic impact shows that if you invest a dollar in an agricultural business, you actually generate $3 in economic activity. So there is a contractor who is going to dig that drain out; there's going to be a contractor that's going to fill it with stone; there's going to be a contractor that did the engineering; there's going to be a contractor that did the environmental. So there is an impact on that investment, but I do agree with you 110%, it's very difficult for the property taxpayer to pay to make that investment. It needs to be rethought.

Mr. John Vanthof: Certainly, as this committee has spent a bit of time talking about developing even farther north that me—and there is lots of potential. I'm proud to be a farmer in northern Ontario—made my living there, proud of it, but the model that developed this area and developed the Little Clay Belt is not going to work farther north. It's not. Because it's not going to be 160 acres with a little barn and a homestead; it's not going to be that. But that's still what's kind of in the mindset, I think. And you very well know it's not going to be that; I know it's not going to be that.

I'm not sure, actually, that the government has really figured this out. And I'm not trying to be controversial or anything. That's why I'm bringing this up, because I'm the one right now—actually, no, the municipal council is the one right now dealing with the destruction of their model. And I'm still saying he's got to go and hand in the keys. It's not directly your fault. It isn't, right? Because those people sold—and I don't want my farmland price to drop by half either, and that very well could happen if your model stops. That's an issue.

So I know you don't have the answer, and I'm not expecting you to come up with the answer, but would you agree—all three of you—that that is an issue, that that is going to impact us?

The Acting Chair (Mr. Andrew Dowie): One minute left.

Mr. Sean Dobbelaar: I'll step in if it's appropriate.

We do not actively invest in northern Ontario today, but I'm certainly very familiar with northern Ontario, having hunted, fished up there with many friends. It's beautiful. And it is something I hear quite often, Temiskaming Shores—doesn't matter where you're at, right?

Mr. John Vanthof: Yes. That's where I'm from.

Mr. Sean Dobbelaar: It doesn't matter where you're from in northern Ontario; there is a huge infrastructure gap. And if Bill 109, specifically around the development of the Clay Belt, is not handled correctly, there is going to be huge downward pressure on local townships and municipalities, and they are going to need both provincial and federal support to develop that infrastructure, because it cannot be borne on the back of the taxpayer 100%.

I also want to make a comment about—20 miles away or however many miles away—most of our farmers that are renting our land are living in these communities. They're not coming from multiple hours away to farm these assets. Everybody buys fertilizer for roughly the same price. Everyone pays—

The Acting Chair (Mr. Andrew Dowie): And that concludes the official opposition's time.

We'll move to the third party. MPP McCrimmon, the floor is yours.

Mrs. Karen McCrimmon: This is both for Mr. King and Mr. Dobbelaar: What we want is that we want access to responsible, long-term credit for farms, but that at the same time protects that farmland and keeps it in Canadian hands. So can you tell me: Does your model achieve that?

Mr. Sean Dobbelaar: Yes, 100%.

Mr. Mitch King: Yes. I would agree—I would agree. And even, as it has over the last number of years for us, the source of the capital, whether it comes from a Canadian individual investor or a Canadian institutional investor—we don't treat that any differently, and we feel that the way that that limited partnership is set up provides those safeguards, because they really are passive investors.

And I think that's also just around some of our recommendations on relying on that Investment Canada Act, which is legislation that already exists, to help to kind of direct the direction that we want to go in with the final version of Bill 109, which will provide those protections and ensure that, whether or not the source of the capital, it's controlled by a Canadian-owned and Canadian-managed organization. For us, that is the really, really critical piece here.

Mr. Sean Dobbelaar: We're providing that capital that is needed to not only protect this farmland, but enhance the value creation it has. So again, transitioning it to higher-value crops—there were comments of more soybeans in northern Ontario. Often, in some cases, we're providing land-lease financing, because at the traditional financing levels, you would not believe in a business plan.

And so, they're looking at a farmland asset that's giving an X cash return. They go to their local credit union, the bank, the crown corporation—literally farm credit—and they don't believe in the business plan. But they believe in the business plan, and often it is value creation, so it could be expanding a processing line; it could be expanding a livestock business to do direct-to-consumer in northern Ontario.

These folks know the industry. They know where the returns are, and if they can't have what I think is a very—remember, I lived in this world, in both the crown corporation and a top-five bank. There is not a lot of risk that's taken on. Those that need the money do not get the money; those that don't need the money, they're opening up the golden gate and welcoming them in.

So again, if we don't have the proper programs, the proper support, the proper forms of capital to support farmers in developing and adding additional value—really, this is all about value creation. It's about keeping a few more jobs in Temiskaming Shores; it's about supporting contractors to improve the value of the land and the productive capacity.

All we are is another form of capital, but we're not some big, bad, foreign actor; we're managing this farmland responsibly, with local operators. We don't take any sort of control over how they grow their crops, who they sell their crops to, what colour of machinery they run on the farm. We are only providing land-lease financing. Our tenants—and I can't speak for Mitch's business, but I can tell you that often, we are not taking the top bidder on our farmland. We are looking for people who are strategically aligned in how we run our business. That means soil-sampling the land as soon as we acquire it, identifying ways that we can improve it from an environmental standpoint, from a productivity standpoint. We want farmers that are incorporating cover crops, that are incorporating proper crop rotations, that have the succession plans.

I want to be very clear in our model. If we remove this capital, it is going to be detrimental to our industry, to our productive capacity as a province and to, most importantly, our young farmers, who, again, are going to be the ones that pick up the torch and continue to carry on this $50-billion-plus-a-year industry.

Mrs. Karen McCrimmon: Okay.

Just a quick one, Mr. King: You referred to, in the act, where it's proposed "directly and indirectly." You say the use of the word "indirectly" gives you some concern. Is there an alternative, or do we just take the word "indirectly" out of that?

Mr. Mitch King: We did provide, I think, our exact recommendations around the wording or how we would like to change those designations. I don't have them off the top of my head here, but I know our compliance department would be more than happy to provide those to you again.

Mrs. Karen McCrimmon: Okay. That's good.

That's all my questions.

The Acting Chair (Mr. Andrew Dowie): Thank you very much. That concludes this round of presentations, so thank you so much for your preparation and for being here today.

MS. MONIQUE SPANJERS

MS. GERALDINE PENNINGS

The Acting Chair (Mr. Andrew Dowie): We will move onto our next round. An advisory for the members: We have an additional presenter, Geraldine Pennings, who will be joining Monique Spanjers in the next round. So I will call up Ms. Spanjers and Ms. Pennings to the floor. I'll ask all members to return to their seats.

I will now call on Monique Spanjers. Please state your name for Hansard and you may begin.

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Ms. Monique Spanjers: Good afternoon, Chair and members of the committee. Thank you for giving me the opportunity to speak today about Bill 109.

My name is Monique Spanjers. I was a dairy cow farmer for 20 years in the Netherlands, and for the past 11 years I have been a dairy goat farmer here in Ontario. Farming has always been a big part of my life. What I enjoy most is working with my animals and taking care of them. Over time in the Netherlands though, more and more of my time was spent on paperwork, protocols and regulations, and less time was spent actually farming. That was one of the reasons for me to move to Canada. I'm not against regulations. Good regulation is important, but it has to make sense in practice and fit in the reality of the farm.

Because I have worked in both cow dairy and goat dairy, I also know how different these two sectors are. What works for dairy cows does not automatically work for dairy goats. We saw that recently with the somatic cell count regulations. Concerned dairy goat farmers and Ontario Goat raised concerns because goat milk is biologically different from cow milk and needs to be looked at using goat-specific science. Government listened and paused SCC penalties while the issue is being reviewed. To me, that is a good example of why regulation should be developed with real producer input—before they are put in place, not afterwards.

I believe the same kind of reality check should now be applied to the establishment of the Dairy Goat Farmers of Ontario. Recently, dairy goat farmers were asked through an expression-of-opinion vote whether they supported the creation of DGFO. What was presented to producers was an organization built around four main pillars: advocacy, business risk management, research and education, and consumer awareness. But Bill 109 could create a framework where DGFO may later receive authorities that go well beyond those four pillars. Those possible authorities were not part of what producers were asked to support. DGFO could potentially be empowered to enter and inspect farms, demand and review farm records, take and test milk samples, detain or dispose of milk, administer penalties, collect money owed, influence compliance and licensing consequences.

Bill 109 does not automatically give DGFO all these authorities, but it creates the possibilities that some of them could be delegated later. This is a serious issue because dairy goats are not supply managed. We operate in a competitive market. Every producer has to find and negotiate their own market. A future DGFO would be run by fellow dairy goat farmers. They are our colleagues but they also are our competitors. I do not think dairy goat farmers should be inspecting each others' farms or have access to sensitive business information that could affect another farmer's negotiation position.

There is also a concern about the independence. The process leading to DGFO has to a large extent been driven by two main milk brokers in the Ontario dairy goat industry, and those brokers are still providing administrative support to the development committee. If DGFO could later receive inspection, information-gathering or enforcement powers, producers need to be confident that the organization is truly independent from commercial interests.

Right now, dairy goat producers are being asked to fund and accept a mandatory organization before we even know what regulatory inspection, enforcement or financial authorities may eventually be attached to it. I do not think government should establish a mandatory organization first and figure out its authorities afterwards. In my view, DGFO should be paused until Bill 109 has completed the legislative process and the regulatory framework is clear.

My request to this committee is simple. First, pause the establishment of DGFO until the bill is finalized. Second, once the possible authorities are clear, go back to the dairy goat producers and have a new and transparent consultation about whether DGFO is still something producers want and need. Third, make sure dairy goat regulations are actually designed for the dairy goat sector and are not simply adapted from cow dairy. If dairy goat producers do not support a mandatory DGFO once its possible authorities are fully understood, then government should not move forward with it.

I would also like to invite the Minister of Agriculture, Food and Agribusiness, Trevor Jones, to meet directly with concerned dairy goat farmers and not only with sector stakeholders who may have commercial interests in our industry. We are the dairy goat farms who will have to live with these regulations every day.

The Acting Chair (Mr. Andrew Dowie): One minute left.

Ms. Monique Spanjers: We are the ones who can explain from first-hand experience how they will affect our farms. In short, talk to us and hear what we are saying. Thank you for your time and consideration.

The Acting Chair (Mr. Andrew Dowie): Thank you very much for the presentation.

We will move forward with Geraldine Pennings. The floor is yours; you will have seven minutes.

Ms. Geraldine Pennings: Good afternoon and thank you for the invitation to speak to this committee about Bill 109, Protecting Ontario's Food Independence Act. I appreciate this opportunity to explain the effects this bill may have on the Ontario dairy goat industry.

I have been a dairy goat farmer since 2013. Growing up, I worked on my family's 400-head meat goat operation. My husband came from a cow dairy background and so we combined our experience and became goat milk producers. Out of 198 goat dairy farmers in Ontario, approximately 90 farms sell to Gay Lea Foods, another 90 ship with the ODGC and the other 18 to 20 producers sell independently or process their own milk. The two main brokers, both Gay Lea Foods and the Ontario Dairy Goat Co-operative, buy and sell milk from 90% of Ontario's dairy goat farmers.

Over the past five to seven years, I have noticed a discernable shift in the attitudes and priorities of the main dairyers in our industry. Their mandate is to negotiate a fair price for their members and sell the members' milk. But lately, these brokers are acting like they represent the interest of the farmers in their co-operatives. More than that, over the last year and a half, the two main brokers are proposing a new start-up organization to act in the best interest of dairy goat farmers.

The Dairy Goat Farmers of Ontario was initially proposed as a response to the tariff threat from the United States. The fear of goat milk being penalized along with cow milk prompted widespread concern that the goat milk industry could be decimated overnight. We are not supply-managed, we do not have a guaranteed income, and we cannot shut off the supply of milk like a tap. The tariff threat was both an economic issue and an animal welfare crisis.

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During the CETA negotiations, access to the cheese market was expanded for importers. Goat cheese sales were impacted by this agreement, but government compensation money went only to cow dairy farmers, not goat dairies.

During a joint membership meeting between ODGC and the Gay Lea Co-operative, it was decided to petition the government to move goat milk out from under the cow milk HS code. When the threatened 250% tariff on milk products failed to be implemented, goat milk farmers relaxed. We still wanted the HS code changed, but the urgency lessened. Dairy Goat Farmers of Ontario was relegated to the background with the understanding that it was still lobbying agricultural officials for the change in HS code.

It was a surprise when the proponents of Dairy Goat Farmers of Ontario—the original four members of Ontario Dairy Goat Co-operative and four members of Gay Lea—brought forward a proposal requesting appointment as a local board to collect a licence fee on every litre of goat milk produced in Ontario with the intent of setting up an office, hiring a business manager, funding research, educating farmers and consumers, and advocating on behalf of all of Ontario's dairy goat farmers.

Dairy Goat Farmers of Ontario propaganda claims that it was initiated by farmers, will be led by a board of farmers and will work for farmers. In June of this year, the Honourable Trevor Jones approved the formation of DGFO, but he approved it as a marketing board.

I would like to quote from an address given by the agricultural minister, the Honourable Trevor Jones. He said: "Consultation and collaboration with those who work every day to feed our province is integral to the development of good legislation. I am proud that the measures of the Protecting Ontario's Food Independence Act were informed by our very farmers and food producers."

But I believe the Honourable Trevor Jones is mistaken. While he thought he was talking to farmers and food producers, he may have actually been speaking with the mouthpiece for the two largest brokers in the goat milk industry. Goat farmers voted in favour of a local board. The agricultural minister approved a marketing board. Goat farmers voted based on a proposal put forward by the DGFO working committee, but we have since learned that the Ontario Farm Products Marketing Commission will decide what authoritative powers DGFO will be given.

Bill 109 proposes to set out a framework to support administration and enforcement, inspection, investigation and compliance. It also specifies offences under the act with regards to records, quality and associated penalties. Bill 109 is a mechanism for the ag minister to place more authority with the commission, who will then be able to expand the powers of the Dairy Goat Farmers of Ontario to inspect our farms, investigate our records for births, deaths, treatments, tagging and traceability requirements, movement reporting. They will demand our milk volumes, enforce SCC testing based on thresholds that do not apply to goat milk and demand compliance through penalties.

The Acting Chair (Mr. Andrew Dowie): One minute left.

Ms. Geraldine Pennings: Oh.

Dairy Goat Farmers of Ontario will be spearheaded by select members of the two largest for-profit brokers in Ontario. The general managers of those two brokers are now and will be leading the organization. These general managers are employed by the brokers.

Bill 109 is proposing to give extraordinary oversight of dairy goat farmers' businesses and will give enforcement powers to a sham organization which is merely a front for two brokers who are competitors and who set prices for 90% of the goat milk farmers in Ontario. That is creating a monopoly. When authority moves to a single organization, it leads to less collective responsibility, less scrutiny, less transparency. Allowing Bill 109 to give Gay Lea Foods and the Ontario—

The Acting Chair (Mr. Andrew Dowie): That concludes your time. Thank you so much for your presentation, Ms. Pennings, and you will be getting some questions, I am sure, from the members.

We'll move to the official opposition. MPP Vanthof, the floor is yours.

Mr. John Vanthof: Thank you, both of you, for coming to the committee. I think you've given all of us a lot of new information. My background is—I am a dairy farmer. Before I had this job, I had an honourable job; I was a dairy farmer.

I was kind of keeping track. Was there a vote among all goat producers to create Dairy Goat Farmers of Ontario?

Ms. Monique Spanjers: Yes, there was a vote. But 60% of dairy goat farmers are Amish and Mennonites, and they don't vote because of culture or religious reasons. So 60% did not vote. The other 40% did vote, but we don't know the exact results of this vote. We asked if we could see how many were in favour and how many leaders were in favour. But the commission is not giving that information.

Mr. John Vanthof: Okay. So, if I heard you correctly, 60% of goat milk producers are Amish?

Ms. Monique Spanjers: Yes—or Mennonites. The way this voting works is that somebody that does not vote is actually a yes voter. Because the remaining that vote only need 66% of that amount, so it could be that there are only 25 in favour and they decide for 200.

Mr. John Vanthof: I'm not trying to be facetious but that's how provincial elections work too.

Ms. Monique Spanjers: Yes. But in our case, when you have 60% Amish and Mennonites—which everybody knows they are not really into regulations from government—they are automatically counted as a yes vote.

Mr. John Vanthof: Forgive my ignorance. When I was a dairy producer, the regs were set by Dairy Farmers of Ontario and enforcement was done by Dairy Farmers of Ontario. Who sets your regs now? Are there inspections now?

Ms. Monique Spanjers: Oh, yes. OMAFA is our inspector.

Mr. John Vanthof: Okay. And under this proposal, it would go to Dairy Goat Farmers of Ontario?

Ms. Monique Spanjers: OMAFA at this moment has a problem. They cannot monetarily penalize us because we don't have an organization under OMAFA. Our association, Ontario Goat, is totally separate from the column in which OMAFA is. So they kind of need Dairy Goat Farmers of Ontario so they can start penalizing us.

Our penalization now goes to our milk progress. They penalize us on the quality. That money goes into the brokers. That will be taken out and going to this new organization. So the brokers are going to have a hard time too.

Mr. John Vanthof: Okay. I'm just trying to get this through my head. In your estimation, the brokers are the two main groups who are pushing for this to happen?

Ms. Monique Spanjers: Yes. It's even this way that, in the annual report of 2025 of Gay Lea, it is stated that their business department came up with this idea and has pushed it forward. So it did not start from the goat farmers. They just selected some goat farmers among their members that they could use to get this through. There are even processes behind this.

Mr. John Vanthof: So your pricing now is set by the two main purchasers?

Ms. Monique Spanjers: No. I'm an independent, so I don't belong to any of those two brokers. That places me in a very vulnerable position because these brokers try to get us out of the business and get our market.

Mr. John Vanthof: Okay.

Ms. Monique Spanjers: We're just five farmers and we, together, negotiate with a processor. But there are only a few processors in Ontario. So, if one broker comes along that represents 90 members, they try to push us out. And if they get control of this DGFO, I will never be a board member in this new organization because I have maybe four other farmers that will vote for me. Everybody has got to pick out of their own team, so we're just shoved to the side.

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Mr. John Vanthof: I can't speak for the government—I'm in the opposition—but not all parts of a bill have to be enacted right away. That happens with other bills too. Bills are passed, and portions of them aren't enacted.

So let's just hypothetically say that that isn't enacted. If that in Bill 109 isn't enacted, what power does DGFO have now?

Ms. Monique Spanjers: They say they only are going to do the four pillars—advocacy, consumer awareness, research and education, and business risk management, I think, off the top of my head—but the fact that this is hanging above us is like the sword of Damocles.

Mr. John Vanthof: Okay. Thank you.

The Acting Chair (Mr. Andrew Dowie): We'll move to the third party. MPP McCrimmon, the floor is yours.

Mrs. Karen McCrimmon: Thank you both for being here. I'm trying to look at the bill and find out exactly where it fits in the bill, but I can do that later.

First of all, this is an awesome summary. This is exactly like a two-pager, actually. You put your issue down quite clearly, and we know what you want.

I would ask Geraldine, have you seen this? Had you seen this before you came?

Ms. Geraldine Pennings: Yes.

Mrs. Karen McCrimmon: So you agree with how Monique has presented this and what your aim for is here at the committee, what you're asking for?

Ms. Geraldine Pennings: Yes.

Mrs. Karen McCrimmon: Okay. Well, that makes it really easy for me, and I hope it makes it easier for the government side as well. I think this is what you're trying to say: You want to have a say.

Ms. Monique Spanjers: Especially because we don't have a government supporting us.

For example, traceability is now an issue at the moment. It's going to be forced upon us. Cow farmers say, "It's just a little bit," but a cow farmer has one cow producing 30 litres, for example. For that amount, we have 10 goats. You put a $4 tag in one cow; for the same amount of litres, we have to spend $40. That works everywhere, in everything we do.

We are a niche market. Goat milk tastes different than cow milk. If it didn't, why would we milk goats? Because the cow milk is way easier. I have been a farmer for 20 years. I thought I knew something when I came here. I started to raise goats. I knew nothing; they are totally different.

That's what I want to make clear to a committee like this. We are not cow farmers. If you talk with a cow farmer about SCC, they say, "Oh, that's mastitis." In goats, it's not. There are 10 reasons why goats will have a raised SCC, and only one of them is mastitis. In the rest it's stress, it's breed, it's seasonal. If you chase a dog into a pen, our SCC is going to be through the roof the next day. We will be penalized for that, so we might as well shoot our dogs. You know what I mean?

Mrs. Karen McCrimmon: Yes.

Ms. Monique Spanjers: They just put, "Oh, it's already for years in cows." Milk is milk. If it's cold and white, it should be milk, but it could be snow.

Mrs. Karen McCrimmon: But you rely upon your reputation, I would imagine, especially as a small goat milk farmer.

Ms. Monique Spanjers: Especially as a small group.

Mrs. Karen McCrimmon: That's right. So if your milk wasn't up to standard, you would lose your customers, right?

Ms. Monique Spanjers: We have to stand out in quality, the five of us—we have to stand out. We have the processes; you need to ask for the milk because it's such a high quality. We want to go to a pick-up like cow farmers—every other day—because it will make our quality go up, but to do that, we need to have a certain amount in the tank because transportation is going through the roof at the moment.

Mrs. Karen McCrimmon: Okay. So if they put 109 through the way it's currently written, you want to have a new vote on whether to have the DGFO. Is that right?

Ms. Monique Spanjers: Yes, and I want the farmers to be educated on what it can do because thus far, it has been stripped from all the things the two brokers didn't want. You could ask that, but it was always, "No, that's not the case. That cannot happen." But this bill shows us that it can happen. I want the other farmers to realize what can happen, what they will be regulated upon.

I worry about our Amish and Mennonite goat farmers. We have farmers that cool milk with ice. Will that still be allowed if this bill goes through? We have goat farmers that have a dripping system to make their agitator go around.

It's the charm from our sector. If we get regulated like cow farmers, the whole niche and the charm will disappear.

Mrs. Karen McCrimmon: All right. And people count on you to produce a quality product. How much more difficult would this make your ability to create that quality product?

Ms. Monique Spanjers: It's not that our quality is an issue with this establishment; it is the oversight that my fellow farms will have of my farm. I have to bargain for my milk price.

The Acting Chair (Mr. Andrew Dowie): One minute left.

Ms. Monique Spanjers: If I need to put information into an organization—how many goats I have, how much milk I produce, how much open capacity I have—they know exactly what we're doing. They know how much we supply. They know how much market there is for them to gain. It's not that they will do that, but as my mom said, "If you tie a cat on the bacon, it might take a bite out of it."

Mrs. Karen McCrimmon: All right. Thank you. It's so important to have people that are on the ground to come here and tell us exactly what's happening because, of course, we're influenced by brokers who have lots of know-how, lots of money, and we have to make the effort. So thank you for coming today because that's the only way we're going to find out, is if you come and tell us the rest of the story.

Thank you very much for being here. I appreciate it very much.

The Acting Chair (Mr. Andrew Dowie): We will move on to the government side. We will start with MPP Leardi. The floor is yours.

Mr. Anthony Leardi: So, Ms. Spanjers and Ms. Pennings, we were having a previous discussion with previous presenters, and we were talking about one of the aspects of Bill 109. And one of the aspects of Bill 109 was this idea that, somehow, we should place restrictions on the potential of people selling their Ontario farmland into foreign ownership.

The concerns raised by some people in the industry were that there were foreign purchasers seeking to purchase up large, large farms—and even small farms—in Ontario. And then the example was given of Prince Edward Island, where large tracts of farmland were purchased in Prince Edward Island and then either taken out of production, or what production remained was not for Canadian consumption but rather for outside-the-country consumption. So you had the dual consequence in Prince Edward Island of farms being purchased and owned by people outside of the country, and then the production of those farms being shipped out of the country for consumption outside the country. That is part of what arose with regard to our discussion around Bill 109 about this potential occurring in Ontario.

I wanted to ask you some questions about the goat industry, which you're involved in. I would like to have both of you tell me whether any of this activity—that is, the potential, I'll say, gobbling up of goat farms—whether you have seen or heard of any threats to this being taken out of production, number one, and, if not taken out of production, falling into the hands of foreign ownership. Can either of you comment on that issue?

1530

Ms. Monique Spanjers: You're asking me whether or not I would approve of land being sold to foreign, and then the production going to foreign?

Mr. Anthony Leardi: Correct.

Ms. Monique Spanjers: Yes, I'd like to keep the ball in the team, and I think that says it all.

I'm from the Netherlands. If you see what's going on there with farmers and how they are practically chased out of their farms, it's ridiculous. At a certain point, they cannot supply food for their own people. In the Netherlands, it's small. I know Canada is big, but you can't make land. That's the one thing that you can't make; you can't make land. There is just this amount, and I think it's best to keep it, at least, for producing for ourselves.

Ms. Geraldine Pennings: I have two thoughts here. The first one is, with the additional regulations that are coming to the goat industry—like traceability and the costs associated with that, then this DGFO and the licensing fee as well as the penalties—a lot of farmers are uncertain about our future. There are several I know of who, once DGFO becomes an organization that takes the check-off, will exit the industry. We have many farmers who work an off-farm job just to supplement the farm, because there really isn't a lot of money in milking goats.

Mr. Anthony Leardi: It sounds like a very—I think somebody used the word "niche"—niche market—very niche.

Ms. Geraldine Pennings: It is.

Mr. Anthony Leardi: So if you're into that, yes. And if you're not, it's not something that—there's no mass market for it. Would I be saying that correctly? There's no mass market for goat milk.

Ms. Geraldine Pennings: Most of the market is in cheese, and I think 60% goes to the United States. It is exported. That is one problem: We will lose production.

Mr. Anthony Leardi: Okay.

Ms. Geraldine Pennings: The second thing I'd like to point out is the Chinese plant, Canada Royal Milk—when that was proposed, the goat milk industry got very excited. We thought we would have the opportunity to ship vast amounts of milk. A lot of plans were made for ramping up production, expansion.

The Acting Chair (Mr. Andrew Dowie): One minute left.

Ms. Geraldine Pennings: Oh, I'm sorry.

It didn't materialize. They're making formula out of cow milk, but the goat side never materialized. Again, that was quite tough on a lot of farmers. We lost a lot of farmers from that as well.

Mr. Anthony Leardi: I'm particularly interested in the Dutch example, because that's what was foremost in my mind with regard to Bill 109. I know that we only have a limited time, but perhaps I can follow up with you after our meeting, because I'm particularly interested in the Dutch experience and whether this has any application in the province of Ontario.

Ms. Monique Spanjers: I worked for five years for the traceability organization in the Netherlands. I was the guard of the information from cow farms. I knew everything about every farm, every cow in the Netherlands. My biggest problem with that is that once all this information is gathered and put in the system, you can do awesome things with it, and—

The Acting Chair (Mr. Andrew Dowie): That concludes the government's time.

We'll move on to the official opposition. MPP Vanthof, the floor is yours.

Mr. John Vanthof: I would like to thank you for your presentation. It will be noted we learned a lot, but I have no further questions. You've done a great job.

The Acting Chair (Mr. Andrew Dowie): Thank you, MPP Vanthof.

MPP McCrimmon, the floor is yours.

Mrs. Karen McCrimmon: No, I think I understand the situation, but thank you for coming. We need to do more of this. Get out and talk to people who are on the ground, and don't give up. Just keep on going.

Ms. Monique Spanjers: I can give you my card.

Mrs. Karen McCrimmon: Okay. Thank you.

The Acting Chair (Mr. Andrew Dowie): Thank you, MPP McCrimmon.

Over to the government side. MPP Cuzzetto, the floor is yours.

Mr. Rudy Cuzzetto: I just want to thank you for being here today, and there won't be any further questions from our side either. Thank you for coming out.

The Acting Chair (Mr. Andrew Dowie): Thank you very much. That concludes today's public hearings on Bill 109 in Chatham. Thank you to all of the presenters.

Seeing as there is no further business, the committee is now adjourned until 10 a.m. on Tuesday, August 11, 2026.

The committee adjourned at 1535.

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