

September 30, 2026

Victoria Mance, Junior Planner
Township of Southgate
planning@southgate.ca

RE: Consent B9-26 & Zoning By-law Amendment C9-26 - Rice
085770 Southgate Road 08
Township of Southgate
Roll: 420709000604300
Owner: Jason Rice
Agent: Cuesta Planning Consultants Inc.

Dear Victoria Mance,

This correspondence is in response to the above noted application. We have had an opportunity to review the application in relation to the Provincial Planning Statement (PPS) and the County of Grey Official Plan (OP). We offer the following comments.

Proposal Summary

The Purpose of consent File B9-26 is to sever the west half of the subject lands to create an agricultural lot with ± 200 metres frontage on Southgate Road 08, $\pm 1,010$ metres depth, and ± 20 hectares lot area. The retained lot would have ± 200 metres frontage on Southgate Road 08, $\pm 1,010$ metres depth, ± 20 hectares lot area, and contain the existing farmhouse and associated agricultural buildings.

The Effect of proposed consent is to sever the west half of the subject lands to create a ± 20 -hectare farm parcel while retaining the east half of the lot as an agricultural parcel containing the existing farmhouse. File C13-26 would rezone the severed lot to prohibit future residential development and to recognize lot area and any other regulations applicable to the retained lot.

Documents submitted with the application and reviewed by staff:

- Planning Justification Report and addendum, prepared by Cuesta Planning Consultants Inc., dated August 2026
- Site Plan, prepared by Cuesta Planning Consultants Inc., dated May 1, 2026

- Application and Notice of Public Hearing

The subject lands (+/- 41.2 ha) are identified as the following in the County Official Plan (OP):

- Schedule A: *Land Use Types* – Agricultural and Hazard Lands
- Schedule B: *High Potential Mineral Aggregate Resources* – Aggregate Resource Area

Comments

Schedule A of the County OP designated the subject lands as Agricultural and Hazard Lands. Section 5.2.3 states that:

1) A consent for one new lot may be permitted provided the original farm parcel is a minimum of 40 hectares. The options for consent would be:

a) One lot severed to create a farm parcel of generally 40 hectares in size, provided both the severed and retained lots are 40 hectares in size and are both intended to be used for agricultural uses. Where a severance is proposed to create a farm lot smaller than 40 hectares, an official plan amendment will not be required, but an Agricultural Report is required by a qualified individual, (which may include an agrologist, agronomist, or a professional agricultural business degree) that addresses the following criteria: ...

[Or]

b) New residential lots are not permitted in the Agricultural land use type. Where a house is deemed surplus to a farm operation as a result of farm consolidation, a lot may be severed provided that:

1. The County OP contemplates lot creation in the agricultural designation in limited circumstances, such as for an agricultural-related use, lot adjustments for legal and technical reasons, and for conservation purposes. There are also two specific circumstances for lot creation noted above: lot creation for agricultural purposes in limited circumstance (a) and for a surplus farm dwelling severance (b).

In order to meet the policy noted in 1)(a) above to permit one new lot in the Agricultural designation, the following tests must be met:

1. The original farm parcel (the subject lands) is a minimum of 40 hectares
2. One severed lot that is generally 40 hectares. If less than 40 hectares, an Agricultural Report is required that addresses specific criteria.
3. A retained lot of 40 hectares
4. Both severed and retained lots are intended for agricultural uses

Should the original farm parcel be at least 40 hectares, a consent may be considered, provided that *both* the severed and retained parcels are generally 40 hectares in size. Where the severed lot is less than 40 hectares, an official plan amendment is not required to recognize the reduced lot size, but an Agricultural Report is required. While the proposal can meet the first policy test of having a minimum of 40 hectares, the second and third tests can not sufficiently be met: the proposed severed and retained lot are +/- 20 hectares in size. It is staffs' opinion that the proposal does not maintain the intent of the lot creation policies in 5.2.3 of the County Official Plan.

2. Further to the above, and for clarity, staff acknowledge that while the County OP generally discourages lot creation in the agricultural designation, there is recognition that there may be circumstances that warrant site-specific consideration where a severance is proposed to create a farm lot smaller than 40 hectares. This guidance, and the requirement to prepare an Agricultural Report, recognizes that there may be site specific locations and growing conditions, and/or innovative forms of agriculture that may warrant some flexibility within the policy framework (also see 5.2.2 1).
3. Staff recognize that the PPS does not establish a minimum farm lot size requirement. Instead, it promotes lot sizes that are appropriate to local agricultural conditions and that maintain long-term flexibility for agricultural use. This policy direction generally supports the retention of larger farm parcels, consistent with historic survey patterns in rural Ontario, and serves to limit fragmentation of the agricultural land base.

In this context, the Grey County Official Plan implements a more specific local standard by requiring a minimum lot size of 40 hectares within the Agricultural designation. The County's defined farm size standard of 40 hectares in the Agricultural designation was approved by the province. This provincial approval came after the County partnered with the University of Guelph to complete a review of minimum farm sizes in prime agricultural areas in Ontario. The review found that a minimum farm lot size of 40 hectares is consistent with the approach adopted by the vast majority of municipalities in Ontario. Accordingly, Grey County is not unique in applying a 40 hectare minimum parcel size within its Agricultural designation.

As per comment # 2 above, the County policies allow for some flexibility to deviate from the 40 hectare farm size, where long-term viability of the severed and retained parcels can be demonstrated. However, a 50% reduction in the minimum farm lot size would not appear to match current trends in agriculture of

larger farms, and nor would it align with minimum farm lot sizes in much of the rest of the province.

4. The submitted Agricultural Impact Assessment notes a broader trend within Canadian and Ontario agriculture toward larger farming operations and a declining number of farms. The report concludes that the proposed 20.6 ha severed parcel is viable of supporting agricultural activities independently; however, it also states that the parcel would be more likely to function as part of a larger agricultural operation. Further, in addressing criteria 3), the report notes that the severed parcel is economically attractive as *an addition* to an existing large-scale farming operation and is typical of modern farming practices.

Staff understand that the subject lands currently support a sheep operation and cash crop production, and that the existing farm forms part of a broader agricultural operation consisting of approximately 435 acres of owned and rented farmland. The retained lands are intended to continue as part of this larger farm operation following the severance.

The report also estimates that the proposed severed parcel could generate approximately \$9,200 to \$10,000 in annual net income through cash crop production. While staff recognize that this estimate reflects net income and acknowledge the costs associated with agricultural operations, staff note that demonstrating the economic viability of a relatively small cash-cropping operation can be challenging. This concern was identified during pre-submission consultation.

Taken together, the information provided raises questions regarding the long-term economic viability of the parcel as a stand-alone farming operation and appears to support the conclusion that both the retained and severed parcels would rely on, and be more viable as components of, larger farming operations, similar to the current situation. In staff's view, the information provided has not sufficiently demonstrated that the proposed severed parcel would support a new viable, independent agricultural operation requiring 20 hectares of land over the long term. Staff also note that personal or financial circumstances, while recognized and understood, do not generally constitute sufficient planning justification to support the creation of a new lot.

Schedule B identifies the subject lands within the Aggregate Resource Area. Section 5.6 states that:

8) Non-farm sized lot creation of lots less than 20 hectares in size will not be permitted in Aggregate Resource Areas....

5. Staff note that the proposal does not offend the aggregate resource area policies and have no comments in this regard.

Planning Ecology comments

6. County Ecology staff have reviewed the proposal and have no concerns.

Summary

County staff are generally cautious about supporting applications that would create a new lot in the Agricultural designation that is smaller than the typical farm parcel size of 40 hectares. One of staff's concerns in this regard is that approval of undersized farm parcels within prime agricultural lands may create expectations for similar applications in the future and could contribute to the incremental fragmentation of agricultural land over the long term, as well as undermining the long-term objective of maintaining large, contiguous land bases for agricultural production. The proposed lot creation does not sufficiently maintain the intent and application of the agricultural lot creation policies in the County Official Plan (5.2.3.1) a)).

Based on the information provided, staff suggest that the proposal may be more appropriately considered via a standard surplus farm dwelling severance approach.

The County requests notice of any decision rendered with respect to this file.

If you wish to discuss this matter further, please contact me.

Yours Truly,

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