

March 1st, 2026

Re: Adoption of MPAC's Optional Small-Scale On-Farm Business Subclass

Dear Members of Oxford County Council,

On behalf of the Rural Oxford Economic Development Corporation, we are writing to express our strong support for Oxford County's adoption of the Optional Small-Scale On-Farm Business Subclass for Commercial and Industrial property classes.

Effective January 2022, the Government of Ontario introduced a second optional subclass for both the industrial and commercial property classes to provide further support to Small-Scale On-Farm businesses. The updated legislation allows municipalities to increase the eligible assessment threshold for the reduced tax rate from \$50,000 to \$100,000 - creating greater flexibility and impact for rural communities seeking to encourage agricultural diversification.

Under this framework, eligible properties would benefit from a reduced municipal tax rate - 25% of the applicable commercial or industrial rate - on up to \$100,000 of assessed value for qualifying on-farm business structures.

To qualify for the Small-Scale On-Farm Business Subclass:

- The property must be assessed as farmland and enrolled in the Farm Property Tax Class Rate Program administered by Agricorp.
- Council of a single- or upper-tier municipality must pass a bylaw to adopt the industrial subclass (with the commercial subclass available only if the industrial subclass is adopted).
- At least 51% of the facility must be used to sell, process, or manufacture goods produced on the farmland associated with the property.
- The subclass does not apply where the total assessed value of the land used for the on-farm business is \$1,000,000 or more.

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This policy represents a thoughtful and targeted tool to support farm-based entrepreneurship while maintaining fiscal responsibility. By reducing the initial tax burden on small-scale value-added activities - such as on-farm processing, farm-gate retail, and direct marketing - Council can remove a key barrier to innovation and growth. Adopting this subclass would:

Encourage Diversification: Farmers can expand into value-added production and direct sales with greater financial feasibility, strengthening farm viability and local food systems.

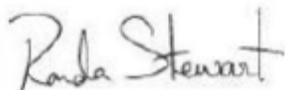
Promote Fairness: A modest on-farm processing facility or retail outlet should not immediately face the same tax burden as a large-scale commercial or industrial operation.

Strengthen the Long-Term Tax Base: As these enterprises grow beyond the assessment threshold, the community benefits from increased assessment and full commercial or industrial taxation on future expansion.

Agriculture remains a primary economic driver in Oxford County. Farm diversification generates local investment in equipment, construction, packaging, professional services, and labour - circulating dollars throughout our rural economy and supporting broader community prosperity.

Thank you for your continued leadership and stewardship. We would welcome the opportunity to discuss implementation considerations and potential local parameters further.

Sincerely,



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