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April 20, 2011

Craig Laing
Aggregate Inspector
Ministry of Natural Resources
Regional Operations Division
Southern Region, Midhurst District
2284 Nursery Road
Midhurst, Ontario L0L 1X0

Dear Mr. Laing,

RE: Environmental Bill of Rights (EBR) Registry Number: 011-2864

Issuance of a Class A licence to remove more than 20,000 tonnes of aggregate annually from a pit or a quarry - ARA s. 7 (2) (a)

The Ontario Farmland Trust Board of Directors would like to thank the Ministry of Natural Resources for the opportunity to make a submission regarding the 3191574 Nova Scotia Company's application for a Class 'A' licence to develop a new aggregate quarry within the Township of Melancthon, County of Dufferin.

The Ontario Farmland Trust (OFT) is a not-for-profit organization that supports the conservation of farmland for sustained agricultural production in Ontario. Through research, education and direct land securement the Farmland Trust works to protect and preserve farmlands and associated agricultural, natural and cultural features of the countryside to improve quality of life for current and future generations. Our Board of Directors includes representation from both the agricultural and conservation sectors, including the two largest provincial farm organizations, the Ontario Federation of Agriculture and the Christian Farmers Federation of Ontario.

OFT has a number of concerns about the Nova Scotia Company's aggregate quarry application, particularly as it relates to the loss of Class 1 farmland, disruption of a unique crop production area, and broader impacts on the agricultural community in Dufferin County. The application also fails to demonstrate the need for development of a quarry of this magnitude and provide adequate justification for locating aggregate extraction operations within the prime agricultural area of Melancthon Township.

Importance of Farmland Protection

Productive agricultural land is a limited, non-renewable resource in Canada; only 5 percent of the country's landmass is suitable for farming. Only 0.5 percent of Canada's landmass, however, is considered Class 1, with no significant soil or climatic constraints for agricultural production. 52 percent of this important land resource is located in Southern Ontario, where it is to be strategically protected through provincial and municipal planning policies for long-term agricultural use. Protection of key agricultural resource areas in Ontario enables the province (and all of Canada) to be self-sufficient in food production and to ensure stability of its economy, as the agriculture and agri-food sectors comprise the province's/nation's largest industries.

Over 95 percent of the land to be developed as part of the proposed quarry site is classified as Class 1, containing some of the most productive agricultural soils in Canada.

Uniqueness of Agriculture within the Township of Melancthon

Melancthon Township is well-known for its superior potato production in Ontario. For decades farmers have been growing potatoes here, due to the township's unique soil and micro-climate. The soil texture and drainage of the Honeywood silt loam soil type and the cooler climate of the Dufferin County highlands provide ideal conditions for potato production found nowhere else in the province. This is confirmed in a 2010 report by soil scientist Dr. J. Kenneth Torrance of Carleton University, titled "The Honeywood Soil Series and Potato Production in Dufferin County, Ontario" (Available at: <http://www.citizensalliance.ca/PDFS/Planscape-July-22-Report.pdf>). The unique soil and climate of the Melancthon Township potato growing area and associated clusters of farm businesses and agricultural production facilities warrant continued protection of this significant resource through local and provincial land use policy.

OFT supports the efforts of local farmers, residents and municipal leaders to designate the farming area of Melancthon Township containing Class 1, Honeywood silt loam soils as a Locally-Significant Specialty Crop Area within the municipality's Official Plan. This would provide a greater level of acknowledgement that agriculture is to be a primary land use in the area, with greater measures of protection from non-farm development. For more details on the proposed Official Plan amendment, refer to the 2010 report prepared by Planscape Consulting: <http://www.citizensalliance.ca/PDFS/Planscape-July-22-Report.pdf>

The Highland Companies, which is affiliated with the 3191574 Nova Scotia Company of the EBR posting, has opposed the proposed Locally-Significant Specialty Crop Area designation, due to its interest in aggregate extraction within the area. In addition to developing an aggregate operation, The Highland Companies is heavily invested in potato farming in Melancthon Township as a major component of its diversified business portfolio in the area. Despite the fact that there are nearby aggregate resources located outside the proposed Specialty Crop Area, and that a Specialty Crop designation would protect their own investment in agriculture, The Highland Companies chose to apply for permission to develop a quarry on 2,316 acres of its most productive agricultural lands. Though claiming that they will rehabilitate much of this land area to agriculture after mining 200 feet below the water table, it is extremely unlikely that this land could ever be restored.

Incomplete Agricultural Impact Assessment

After reviewing The Highland Companies' Agricultural Impact Assessment, completed as part of the application for the quarry in Melancthon Township, it appears there are several large gaps in the company's assessment. These include absence of a rationale for the size of the quarry development, absence of a complete discussion of alternative locations for quarry development, and unrealistic claims for quarry rehabilitation to agriculture after aggregate extraction.

It is anticipated by The Highland Companies that the proposed 2,316 acre quarry will produce more than one billion tonnes of aggregate material over its lifetime. While the company discusses the general need for more aggregate sources to feed infrastructure construction in Ontario's growing urban areas, it does not demonstrate the need for developing the largest quarry in Ontario's history.

In section 5.1 of the proponent's Agricultural Impact Assessment report, under Alternative Area Analysis, which was presumably conducted in advance of identifying the preferred quarry site in Melancton Township, there is repeated and undue emphasis placed on selecting a site where there is potential for a "large-scale" quarry to be developed. Again, there is no definition of "large-scale" and no rationale given for the need to develop such a large area.

Section 5.1 reads "a comprehensive assessment of other alternative areas has been conducted by the Proponent and Savanta and no suitable alternatives with lower agricultural capability soils have been found." No discussion is provided on how comprehensive the assessment actually was, what geographic areas were actually assessed for comparison, and what specific site-selection process led the company to choose the proposed quarry location. The report notes that there are numerous deposits of high-quality aggregate within the Greater Golden Horseshoe Area located close to markets on non-prime agricultural land, but they were avoided because they are considered "too small to warrant large-scale aggregate extraction." The Ontario Geological Survey indicates there are many large limestone deposits that would meet the Province's highest construction specifications, including areas of lower class or non-agricultural lands.

The Agricultural Impact Assessment (sections 5.2 and 6.1) claims rehabilitation of agricultural land post-extraction on the quarry floor, below the water table using "proven techniques to the point where rehabilitated agricultural land will exhibit the characteristics of prime agricultural areas." Proven techniques, however, are not described or referenced. We are not aware of any examples of below-water-table quarry sites that have been restored to productive agricultural areas. The cost of constant pumping to keep the quarry floor dry alone would not make farming profitable. The report also claims that "microclimatic conditions will not be significantly altered and the predicted conditions will not pose any significant limitations to the production of crops common to the region." Soil scientist Dr. J. Kenneth Torrance's report discounts The Highland Companies' claims of restoring both prime agricultural soils and pre-extraction microclimate conditions.

Section 6.2 of the Agricultural Impact Assessment states "any potential impacts from the aggregate operations in the Proposed Licence Area will be mitigated through the use of water management plans and noise and dust suppression measures. Accordingly, there will be no impacts on the surrounding agricultural land uses." The brief statement insufficiently addresses impacts on farm operations located nearby the proposed aggregate site. Farmers on neighbouring properties have expressed concerns about ground water and water table levels that may affect variability and quantity of water at wells used for agriculture near the site. Persistent dust produced from truck traffic, extraction and aggregate processing operations is also a concern, as dust has the potential to increase soil alkalinity and coat crop foliage, thereby reducing plant photosynthesis and crop productivity. Increasing traffic conflict between farm equipment and aggregate trucks is also a concern. None of these issues have been addressed in the Highland Companies' assessment.

Ontario Farmland Trust Recommendations

3191574 Nova Scotia Company's application for a Class 'A' licence to develop a new aggregate quarry Melancton Township is the largest application ever submitted in Ontario. If approved, it would permanently alter the landscape of Dufferin County and forever change the dynamics of a

major agricultural region. Additional negative environmental, social and cultural externalities beyond the scope of this letter and our expertise are also likely to arise from a quarry development of this magnitude.

We encourage the Ministry of Natural Resources to complete a thorough and comprehensive review of the application, following the most rigid standards available through proven science and technology. This application contains an unusual combination of inflated requests, including:

- Site size: a 2,316 acre quarry;
- Available aggregate: over one billion metric tonnes of limestone;
- Rate of extraction: unlimited annual aggregate extraction, anticipated 10 million or more metric tonnes per year;
- Depth of extraction: below-water-table excavation depth of nearly 200 feet;
- Ongoing operations: excavation and shipping would occur 24 hours a day, seven days a week.

These requests will have far-reaching impacts on surrounding areas. They add much more complexity to the application than a typical aggregate quarry proposal, necessitating exceptional scrutiny from MNR and other parties. The Highland Companies' relationship with a U.S.-based hedge fund, additional land holdings of 5,000 acres within Melancthon and Mulmur Townships, and ambitious aggregate extraction plans outlined in this application raise questions and concerns about the proponent's intentions and the real benefits provided to Ontario residents. Are revenues from aggregate operations simply benefiting U.S. shareholders? Is over-supply of aggregate material destined for markets outside Ontario?

The Ontario Farmland Trust Board of Directors believes it is in the best interest of the Province and the broader public to reject the application submitted by the 3191574 Nova Scotia Company, given the location of the proposed quarry. OFT is aware of the need to balance use of non-renewable agricultural soil and aggregate resources, but approval of a large-scale aggregate operation within the proposed area is not appropriate, as it would have adverse effects on the existing unique and valuable agricultural characteristics of the site and surrounding agricultural land uses. The proposed quarry, if approved, would result in the permanent loss of Ontario's most productive, Class 1 agricultural land in an area of exceptionally high productivity due to microclimate and soil advantages, and well-established farm infrastructure.

Designation of a Locally-Significant Specialty Crop Area within the municipal Official Plan and the associated protection of the Honeywood silt loam soils and underlying geology, as proposed by local residents, farmers and municipal leaders, would serve greater long-term public interest than aggregate development in this area of major, high-value potato production unique to Ontario.

It is unnecessary to approve a quarry on a site containing 95 percent Class 1 agricultural soils and located within a prime agricultural area of Melancthon Township when there are many other potential aggregate development areas in Ontario that would not require loss of such productive farmland. Consideration of alternatives to prime farmlands should include areas both within and beyond Melancthon Township where poorer agricultural lands or non-agricultural lands are located. In The Highland Companies' Agricultural Impact Assessment report, it is not clear what alternative locations were taken into consideration. This needs to be addressed, along with explaining the need for such a large quarry, the company's strategy for mitigating impacts on surrounding agricultural land uses and activities, and the methods by which rehabilitation of the quarry site to agriculture post-extraction will be achieved.

Given the uniqueness of Melancthon Township agriculture in Ontario and the availability of aggregate resources outside this highly productive farming area, it would be an incredible loss to the Province to approve the 3191574 Nova Scotia Company's application for a Class 'A' licence to develop a new aggregate quarry in Melancthon. On behalf of the Ontario Farmland Trust Board of Directors, I encourage you to revoke this application for the benefit of current and future generations of Ontarians.

Thank you again for this opportunity to make comments on the proposed aggregate site in the Township of Melancthon and for considering our unique perspective on the protection of Ontario's agricultural land resources during this important public and stakeholder engagement process. We invite discussion and welcome any questions you might have regarding our submission.

Sincerely,

Stewart Hilts, Chair
Board Members, Ontario Farmland Trust

Bruce Mackenzie
Executive Director

cc: The Highlands Companies
Ms. Sylvia Jones, MPP Dufferin-Caledon
Mr. David Tilson, MP Dufferin-Caledon
Hon. Linda Jeffrey, Ontario Minister of Natural Resources
Hon. Carol Mitchell, Ontario Minister of Agriculture