

Case Study: Dharma Lea Farm, Cobleskill, NY

Project Highlights

- ***Dirt Capital and USDA Farm Service Agency partner to finance the expansion of a pioneering Grassfed dairy farm***
- ***The 425-acre farm, purchased from a retiring dairy farmer, provides additional acreage and improved infrastructure for a growing dairy business***
- ***Dharma Lea's management intensive rotational grazing practices will improve soil health and overall farm ecology***

Paul and Phyllis Van Amburgh co-manage Dharma Lea, a pioneering Grassfed dairy farm in Cobleskill, NY. As first-generation farmers, the Van Amburgh's have built a 100% Grassfed production model focused on farmer livelihood, holistic grazing and whole farm planning. The couple is nationally recognized for their regenerative farming practices and commitment to herd and pasture health.



Paul and Phyllis began farming in 2006 as a second career. Prior to farming full time, Paul worked as a contract carpenter and Phyllis was an occupational therapist. In 2011, Dharma Lea was the first farm to begin selling to Maple Hill Creamery, a 100% Grassfed dairy product company. Phyllis now provides consultation for the Maple Hill's farmers on production, profitability, grazing, animal health issues, and holistic management. Paul acts as Chief Grazing Officer for Maple Hill Creamery and previously handled new milk procurement. The couple have become experts in their field and have written dozens of articles on grass-fed production and grazing for periodicals and online sources.

After building equity in their 50-cow operation during their first eleven years, while maintaining off-farm jobs and fine-tuning their vision for the farm, the couple determined they needed more land to achieve a long-term viable scale, prompting the search for additional land. They hoped a larger land base would allow them to operate with improved margins, reduce their reliance on off-farm income, improve their quality of life and create future opportunities for their children to enter the business. The couple set their sights on a 425-acre property near their existing farm in Cobleskill. The seller was a retired dairy farmer who wanted to keep the property in agricultural production and had admired Paul and Phyllis' operation down the road.

Dirt Capital provided a mortgage loan in a joint financing arrangement alongside the USDA Farm Service Agency (FSA), a US government agency that provides financing to farmers. The joint-financing arrangement enables the farmers to take advantage of FSA's flexible terms and lower interest rate. FSA's Direct Farm Ownership loans are capped at \$300,000 per farm. In addition, FSA provided \$300,000 of financing through the Direct Farm Operating program to acquire cows and equipment.

Rebecca L. Ferry, Farm Loan Officer with Farm Service Agency who handled FSA's portion of the project indicated, "This project is consistent with FSA's mission of providing quality financial options to farmers to expand their business and enhance viability for future generations. This was the first time

FSA has partnered with Dirt Capital on real estate financing and the agency looks forward to similar opportunities in the future.”

The new farm will enable the Van Amburghs to expand their milking herd from 50 animals to 160 over time, and to build a more efficient dairy barn complex for milking and feeding their cows. The major renovation to the dairy facilities includes a swing parlor, which will provide a more efficient milking set-up for their expanded herd, while creating less wear and tear on their knees. The Van Amburghs will also live in a house on the farm, a major quality of life improvement when compared to their former farm. In the long-term, this project provides expanded land and infrastructure for the involvement of their five children, currently aged 6-16.

In their work with Maple Hill, Paul and Phyllis informed the development of, and participate in, the Grassfed certification program at [NOFA-NY](#) and [PCO](#), which launched in 2013. The Grassfed certification is an important standard because it allows farmers to certify their operations as 100% pasture (zero-grain), and because is structured as an add-on to the National Organic Program Organic standard, which allows farmers to certify through a single visit and certifying agency, enhancing the National Organic Program and streamlining farmer’s regulatory compliance while offering consumers a certified way to support maximizing ecologically-sound pasture-based agriculture.

Certified organic cows must have free access to certified organic pasture for the entire grazing season and their diets must contain at least 30 percent dry matter from certified organic pasture. Dry matter intake (DMI) is the weight of feed the cow consumes per day on a moisture-free basis. The rest of its diet must also be certified organic, including hay, grain, and other agricultural products.

Grassfed dairy farm meet an additional standard of 60 percent dry mater intake from pasture, and the rest of the cows diet must come entirely from hay or grass-based feeds (zero-grain). Both organic and additionally certified Grassfed farms reduce animal agriculture’s reliance on annual crops for animal feeds, meaning that soil erosion, water use and energy for feed transport is minimized and cows are raised with on-farm inputs.

This project supports a pioneering first-generation farm family as they grow their business by expanding on additional high-quality farmland and improving its environmental stewardship. Dirt Capital and FSA’s package provides affordable financing and a clear pathway to ownership for the farmers, and underpins a plan for farm viability and generational succession.



Dirt Capital invests in farmland in partnership with experienced, profitable, sustainable farmers throughout the Northeast United States: enabling land access and security for successful farmers while keeping farmland in productive and environmentally responsible use.