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THOUSAND HILLS

Illinois Grass-fed Value Chain Case Study: Branded Program

Developed by Delta Institute and Pasture Project

Overview

Thousand Hills is a grass-fed beef branded program and aggregator based in central Minnesota. Thousand Hills was founded in 2003 and is currently owned by Matt Maier. Maier grew up on a farm in Clearwater, Minnesota that he and his family converted to a holistic grass-fed beef operation in 2003. The farm is now a North American Savory Institute Hub. Maier spent 20 years working in conventional food marketing but was compelled to return to the farm after seeing the adverse impact of monoculture cropping systems in his community. Thousand Hills now sources beef from fifty U.S. family farms in the Midwest, Northeast, and West. Farms supplying Thousand Hills™ Lifetime Grazed® products represent 600,000 acres across the U.S. and has 10-15 employees.

Operation

The fifty family farms that supply Thousand Hills product, called Regenerative Renegade Ranchers, agree to raise their cattle according to the requirements of the Thousand Hills Lifetime Grazed™ 100% Grass Fed Beef Program Regenerative Protocol. The producers that supply to Thousand Hills manage their beef operations holistically to improve animal health and the quality of soil and water resources. The cattle are grass-fed and grass-finished and do not consume grain or any genetically modified feed. The producers working with Thousand Hills receive a premium for their product and a greater share of the profits.

Thousand Hills is focused on working with Regenerative Renegade producers to implement regenerative agriculture practices on 1,000,000 acres by 2021. As

consumers become more aware of the benefits of regenerative agriculture they will vote with their dollars and retailers will respond by offering products such as Thousand Hills.

Thousand Hill initially struggled to find enough product volume, relying on word of mouth and cold calling producers to spread the word. Initially, they sourced from one or two producers harvesting one to five animals per week. Now they have a waitlist of producers interested in supplying product. The waitlist for producers began 1-2 years ago when lifetime-grazed grass-fed beef began to be recognized as a regenerative agricultural practice with benefits to soil, climate, ecosystems and watersheds. Since 2015, the company has experienced 15% growth.

Thousand Hills arranges trucking of live animals from the farm to their processing facilities. Thousand Hills sells a range of grass-fed beef products, including everything from beef sausage to beef bone broth to jerky. They regularly sell to 800-1000 retailers, which make up most sales. Thousand Hills product is available at 52 retail locations throughout Illinois. Thousand Hills also sells some product to restaurants and schools and has an online marketplace.



Thousand Hills is part of a program called Regenerative Rewards which was created by RealTime Solutions®, a food service data aggregation company also owned by Maier. The program allows retailers to earn points through purchases of regeneratively produced product. These regenerative practices must build soil health, preserve ecosystem function, and enhance biodiversity. The points can then be used by retailers to purchase specific items, like a meat smoker or butcher knives, that can then be used to grow and enhance their operations. The program does not require any additional costs of the retailer and can boost the sales of food companies who source regenerative products. There are over 900 locations enrolled in the program and 300 of these are actively depositing points.

Motivation

Thousand Hills is committed to holistic grazing because it improves the health of natural communities, builds economic resilience for farms, and provides a more nourishing and nutritious product for consumers. Thousand Hills is very concerned about the health impacts of conventionally produced meat, noting that numerous modern ailments can be traced back to our food and how it is produced.

Challenges and Barriers

The Thousand Hills current customer base is loyal and highly educated about the myriad benefits of holistically raised beef. Expanding that customer base, however, would require significant investment in consumer education. The grass-fed product landscape is confusing; there are numerous labels and branded programs that use similar language but do not necessarily share requirements for production. Consumers want to have an impact and support regenerative farming practices but need better resources to help guide their purchases.

Another challenge confronting Thousand Hills as they continue to expand is the increasing popularity and availability of plant-based products. Many consumers assume that these plant-based meat alternatives are better for the environment, without understanding the range of animal production systems and the potential for regenerative animal agriculture to restore ecosystem functions.

Thousand Hills also identified challenges to grass-fed expansion regionally in addition to the lack of consumer education. Row crop commodities dominate in Illinois.

Agronomists that consult with farmers on their operations are often also chemical and fertilizer salespeople. Land is expensive and often at risk of development. Landowners can be reluctant to rent land to farmers interested in alternative systems. Given these cultural and economic constraints, it is difficult for a farmer to transition to a regenerative operation.

Growth

Thousand Hills sees potential for growth of grass-fed markets. Consumers are driving demand for grass-fed products. Attaching specific environmental impacts to products could give consumers a better sense of what systems they are supporting with their purchase. Thousand Hills is focused on working with natural food stores and co-ops; helping them differentiate from big box stores, to further support small independent business and rural economies. They also are very committed to increasing the land represented by their brand to one million acres by 2021.

