

51. MAKING ENDS MEET

We assumed that our first successful foray into capital raising with the North Fork Land & Cattle Co. Limited Partnership (Chapter 38.) would make us more attractive bank customers. Not so. We had always had good borrowing relationships with banks for operating capital and we had kept our bankers informed as to what we were up to, but once we became general partners, our banks and their regulators proved considerably less enthusiastic about lending to us or the limited partnerships we controlled.

What we learned the hard way was that there was an actuarial potential that came with being general partners. You see, it turns out limited partners are often notoriously frisky when it comes to litigation amongst themselves and their general partners. We found that banks tended to want to establish a chaste distance. Our realization didn't come all at once, but by the spring of 1982, we knew it was sink or swim.

A ranch of the size we had put together was going to have substantial credit needs to get through a year smoothly. The financial projections for the first few years (Chapter 36) had us reasonably covered on a year-to-year basis, but navigating the peaks and valleys of month-to-month income and expense proved to be rough. In the end, we found ourselves having to finance our ranching operations out of cash flow.

For starters, to maximize cash flow, we needed to have the ranch running at full capacity.

Oppenheimer Industries. Even though we started with some of our own cows and bought cows from both Ferree and Koch as part of our transactions with them, we needed more cattle to stock the ranch. Borrowing to buy cattle proved a door closed to us. I had asked Pat Ferree for advice. He introduced me to Ray Schuppen, a field representative for Oppenheimer Industries of Kansas City, Missouri.

Oppenheimer structured investment vehicles designed to provide income tax shelter to wealthy in-

vestors through the depreciation and interest expense associated with their ownership of breeding cattle.¹ Oppenheimer would contract an investor's cattle to a rancher who, in turn, was compensated for performance in managing the cattle, determined by a share of the calf crop or weight gain of yearlings on pasture.

We entered into a contract with Oppenheimer to manage and breed a herd of 600 heifers. In the Fall of 1981, I went down to a ranch outside of Santa Rosa in eastern New Mexico to cut out and oversee the weighing of the heifers. The plains down there were dotted with cholla cactus and noticeably overgrazed. Windmills and their giant water tanks were few and far between with well-worn cattle tracks radiating out for miles in all directions. One of the cow hands referred to the range we were gathering as *rode hard and put up wet*.

My Oppenheimer 'host' out of Santa Rosa careened over rutted two-tracks at 70 MPH in a top-heavy Ford Bronco – scared the daylights out of me. I worked hard not to show it.

Visiting with the truck drivers who were loading the heifers for their overnight trip to Livermore, I got a glimpse into the screwed up, bleary-eyed, 24/7 lives of these guys, fueled by amphetamine and dodging ICC regulations, while moving cattle non-stop throughout the West each Fall.

Uncle Les. This trip also gave me an opportunity to contemplate a family yarn featuring an uncle, Les Osburn (1892-1974) who, as legend had it, moved to this area from *Muleshoe* in the Texas Panhandle with his parents around the turn of the century. Upon arriving at age 9, Les was sent back over a hundred miles alone with the wagon to retrieve a second load² – a time and place where some kids grew up fast.

Another detail from the story I recalled was that refrigeration for 'fresh' meat on their New Mexico homestead during fair weather consisted of storing it in a gunny sack, stashed under the bed during the heat of the day and strung up in a tree at night.

Uncle Les and Aunt Ruth (1898-1990) at the Omaha Stock Yards in 1969 celebrating having topped the market with their steers that day and their 40th wedding anniversary. They had traveled to Omaha by caboose (Omaha World-Herald, September 9, 1969).



¹ The cattle business has always had more than its share of larger-than-life characters. A case in point is Harold L. Oppenheimer (1919-1985), a retired Marine Corps Brigadier General. After WW II, he turned his family's small Kansas City real estate and loan business into a large land and cattle management operation. At its peak, Oppenheimer Industries managed about 80,000 cows plus 140,000 other cattle on 800,000 acres spread across 100 ranches in 17 states for 400 clients, earning Harold the status of uber-cattle baron. A Harvard graduate in anthropology and, at twenty-three, the youngest battalion commander in the Marine Corps, Oppenheimer was quoted by Time Magazine in 1968 "...*ranching is the nearest thing in business to a military operation. You deal with large amounts of terrain, large-scale logistics. On the battlefield as in a roundup, success depends on timing, men, and movement.*" He knew whereof he spoke – he had commanded a Marine battalion in the Pacific theatre and at the time of his untimely death at sixty-six, Oppenheimer's business owned the 380,000 acre Diamond A Ranch (originally the Armendariz Land Grant No. 33) at Truth or Consequences, New Mexico.

² Whether this story is entirely accurate, Les was undoubtedly a big, tough customer with a reputation for youthful bar brawling who had come up the hard way. The Omaha World-Herald described him at 77 as "*a sturdy oak of a man.*" Apparently, my aunt Ruth, a petite schoolmarm, took Les on as her rehab project. She was successful by all accounts, wearing the pants and being the brains behind their 27,000 acre Wyoming outfit.



The Oppenheimer Heifers on Rabbit Creek - October 1981