



# Monte Cluck

**TCFA's 2009 Chairman Says Cattle Feeders Must Stick Together In Tough Times**

BY JAMES HUNT

**As the American Revolution was being launched,** Benjamin Franklin gave his fellow patriots a sobering warning about what they would face if they did not stay united: "We must indeed all hang together, or most assuredly we shall all hang separately."

As he looks at difficult challenges facing the cattle feeding business, TCFA Chairman Monte Cluck is offering similar advice to his colleagues. Monte worries the industry will suffer great damage if cattle feeders do not maintain a united front.

"I know that as an industry pulling together, we can prevail. But if we're an industry segmented between cow-calf operators, small cattle feeders and large cattle feeders, and all of us with a different agenda, we will fail," Monte said.

Monte is the managing general partner of Dean Cluck Feedyard, a 25,000-head operation located near Gruver, Texas. Named after its founder, Monte's father, the feedyard was established in 1961 when Monte was a small child. Monte has been involved in cattle feeding practically since he was a toddler and is intimately aware that the industry is constantly changing. And the "segmentation" that concerns him is a potential hazard that has developed only in recent years.

"When the feedyard industry started in the Texas Panhandle in the late 50s and the early 60s, it was basically farmers, ranchers, elevator owners and bankers getting together to build a feedyard," Monte said. "They all had an interest. One needed to loan money. One needed to sell grain. The rancher had cattle.

So you had a lot of partnerships that started with that kind of background."

In the early days, when Monte's father, Dean, and others were getting started, the partners in the various ventures generally didn't have much knowledge about how to run feedyards. In many cases, feedyard managers had to be imported from Arizona and California. But the early pioneers had grit and determination and the region soon saw a cattle feeding boom.

Reflecting back on simpler times, Monte said, "Twenty years ago, we were 'buy the cattle, buy the futures, own the corn and get after it.'" But, nowadays, much of the industry has become "a margin-run business with owners outside of the agriculture business," said Monte. He believes "the leaders of the larger feeding companies have the same values and traditions the old ranchers had" but worries that something important is being lost amidst the industry's increasing sophistication.

"There are so many different formulas out there. X feedyard has a formula. B feedyard has a formula. C Feedyard has a formula. D feedyard is sending so many cattle a week to a packer — unpriced." The growing variety of marketing arrangements has helped make cattle feeding more prosperous for many operations, but Monte said there are trade-offs. "You've got 40% of the capacity selling on the cash market, which really establishes the price for all of the formulas and everything else. So you've got 40% setting the price for the remaining 60% of the cattle."



“If you’re a feedyard and you’re feeding high quality cattle and you want to make a deal with a packer, you can do that,” said Monte, but he added that there is some downside when it comes to looking out for the industry’s overall well-being. “It’s important that we don’t segment the larger feeding companies from the small independents. We’re all cattle feeders. And our agenda is to make money. But the path that we take to get to that point sometimes takes us down a road that’s detrimental to others.”

By their very nature, feedyards are rivals of one another. But Monte wants people to remember that there is a need to work together for the common good even as they continue to compete.

“Competition’s great. But if we keep dividing larger feeding companies and small independents, then that division is going to get wider and wider and wider. We have to work at coming together and hopefully having as many of the same goals as we can.”

### TCFA Brings Cattle Feeders Together

Monte believes Texas Cattle Feeders Association is the place where all cattle feeders can find common ground. “From an industry standpoint, we’ve all got to lean into the harness the same and pull the wagon. And we do that through TCFA. Without TCFA we would not have that gathering spot for our ideas and the opportunity to mature those ideas.”

Since its inception in 1967, TCFA has been vital to the development of cattle feeding in the three-state area it serves, according to Monte. “Without Texas Cattle Feeders Association, we wouldn’t have the voice that we have in Austin. We wouldn’t have the voice that we have with NCBA. We wouldn’t have the voice that we have in Washington. We could not have had the positive impact we’ve had when it comes to beef safety, animal care and environmental issues.” He added that no one should ever forget the courageous efforts of TCFA’s early leaders. “They got us seven-day pickup and 4% pencil shrink and a way for the packer to pay us within 24 hours. And they worked hard to do that. And some of them got black-listed from the packers for a period of time.”

Over the years, TCFA has become a diverse organization that offers its members a wide range of services. But Monte says there is something vital that remains true about TCFA: It has always stuck by individual cattle feeders and feedyards — large and small — through the toughest of times. He praised the TCFA staff for its hard work, and said he appreciates his opportunity to serve as chairman. “In my role as chairman I have no other aspirations. This isn’t something that I want to put on my agenda so that I can go do something else. I want to do this because I want

to give back to the industry and the people that have allowed me and my family to stay on our land since the early 60s.”

During his year as chairman, Monte has hit the road hoping to personally visit every feedyard in the TCFA membership. He admits that is probably an unattainable goal, but it is important for him to hear from as many members as possible. “For an association like TCFA, it’s possible to fall into the trap of always looking at everything from the 30,000-foot altitude. TCFA can’t forget the grass roots — the feedyard managers and the owners and those that work hard at the feedyard every day,” he said.

### Industry Faces Major Issues

As TCFA continues to work on behalf of all of its approximately 6,000 members, the industry faces many difficult challenges. They include mandatory country-of-origin labeling, or COOL, of which Monte said, “It’s a foolish rule. But the fact of the matter is it’s the law and it’s here and we’re going to have to work through it. And as an industry we will.” Monte said he is also “very concerned from an environmental standpoint that with the new Administration and Congress, EPA is going to be in our face a lot more.” And Monte said animal rights activism is “a great concern, but we as feedyards, ranchers and farmers have been using good animal husbandry practices since before animal rights activism got started.”

COOL, environmental policy and combating the activists’ agenda are all issues of concern. But Monte says they are almost trivial compared to the ongoing global financial crisis. “Without a bank to back us, these other issues won’t matter because we won’t be selling cattle.”

He’s not comfortable with the approach that has been taken toward resolving the financial sector’s dilemma. “Banks have a new partner today and it’s the U.S. government. I don’t know how that’s going to play out, but it concerns me. I think to a certain degree that strong local independent banks will progress because of this if they can keep their capital intact.”

Whatever hardships banks encounter, Monte says feedyards are good customers for them. “The banks have to loan money. They’ve got money and they’ve got to

loan it. Our business is a very, very capital-intensive business. And as long as we maintain our equities and our margins, we’re a good place to loan that money.” Pointing out his feedyard office’s window toward the pens of cattle outside, Monte said banks can rely on feedyards “because there’s one thing that we can do — the inventory that’s out there in that feedyard can be sold in one week’s time and turned into money. You can’t do that with a piece of real estate. Sometimes a piece of real estate just won’t sell.”

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*Preserving his family's heritage is a goal that motivates Monte as a cattleman.*

He added that, in comparison with some other industries, people in agriculture are especially faithful to their lenders when it comes to paying back loans. “Their intent is to pay it back, and they’ll kill themselves trying to do it. I believe that with all my heart. You can’t say that about other industries, but our intent is to pay it back with interest.”

While making the rounds of dozens of TCFA feedyards this year, Monte says he’s pleased to see that most of the managers and owners he’s talked with remain upbeat despite the tough times. That’s heartening to Monte but not altogether surprising. He says the optimism results from “the same thing that built the industry in the 60s. It’s positive thinking, it’s a positive attitude. Cattle feeders have never been looking for a handout. We want to work for what we get. And we don’t mind taking a risk for it. That’s what separates us. That’s why we’re optimistic.”

Summarizing the virtues that have kept cattlemen going through tough times for generations, Monte said, “Hard work, honesty, integrity — doing what’s right — I think those are things to be optimistic about. That’s how we’ll overcome. And then you put faith in there. We have to have our faith.”

### **Family Heritage**

And you can add “family” to the list of things that give Monte strength. Monte happily acknowledges the important role his wife, Katsy, plays in their business. He noted that Katsy “comes from a long line of ranching families in northeastern Oklahoma,” so she possesses strong credentials of her own

in the cattle business.

“Katsy and I try to do everything together,” Monte said. “It’s Monte and Katsy. It’s never just Katsy, or it’s never just Monte. It’s important to us that it’s Katsy and Monte together.”

Monte’s family also includes two grown daughters — Kaysha Sparling and Kallie Hauschild — who live in the Dallas area and a nine-year old son, Monte Jr. A fourth child, Monte’s son, Colt, died in a car accident in 2004.

Although tragedy shortened Colt’s life to 17 years, Monte says his son had already established himself as a first-rate cowboy who showed proper respect for the diligence that is essential to success in animal agriculture. “If it took an hour to go out and catch a two-year old colt in a pen or it took half a day, Colt would give that much time to do it right.”

Monte is proud that all of his children are capable of helping out at the feedyard and around the ranch. And he believes their childhood experiences have been beneficial. “The values, traditions and the work ethic that children raised in agriculture have is unlike any other background that you can share with a child.”

Honoring family heritage figures strongly in the operation of Dean Cluck Feedyard, Monte said, in everything from handling day-to-day business practices with integrity to the uniquely immaculate landscaping of the yard. “We take a lot of pride in the way our place looks. We also take a lot of pride in our people,” he said, noting that some of the Cluck employees have been with the yard more than 30 years.

His feedyard is also operated on the principle of self-reliance, according to Monte. “We’re an integrated feedyard. We have 9,000 acres of irrigated land and grass around us. We raise all of our corn silage. We raise the majority of our hay. And we graze cattle on our winter wheat and summer cattle on irrigated grasses, native grass and sorghum silage or hay grazer. We recycle all of our feedyard’s manure into fertilizer used on our land.”

Monte has other business interests including oil and gas investments and ownership of a Central Texas cement company. But he says the caliber of the people he meets in the cattle business will keep this industry as his primary passion. “I can shake hands with a gentleman on a million-dollar cattle deal and even if there isn’t a written contract, I know that the contract’s going to be fulfilled,” he said.

“I’ve been breathing feedyard dust my whole life,” Monte said proudly and he has no plans to get out of the business. “As challenging as times are, I wouldn’t choose to be in another industry today. I think there are great opportunities ahead of us.” 🐾

EDITOR’S NOTE—James Hunt is the TCFA Communications Director.