What A Ride...

Cow-calf producers have been on the ride of a lifetime. We've been ranching in the very BEST of TIMES! We have been living the dream! No one could have imagined cattle prices being as high as they are. Although there have been some minor dips, we have not seen the bottom of a cattle cycle for 20 years.

Unfortunately, cattle prices have been so high for so long most cow-calf producers have become too complacent to think ahead. They mistakenly believe the good times will last forever. Mark my words, the good times will NOT last forever. One would be wise to use what is left of the good times to prepare for the bad times.

I think it is safe to say we have already seen the highs in cattle prices for this cycle. We saw them in the fourth quarter of 2014. Nevertheless, it looks as though 2015 is on pace to average about the same as 2014. We are still ranching in the BEST of TIMES — but things are fixin' to change, and they may change quicker than most people anticipate.

After many years of reducing cow numbers, herd expansion began in 2014. With rangeland conditions across most of Cow Country, USA at record high levels it was kicked into overdrive this past summer. In July, CattleFax reported that the current rate of herd expansion exceeds anything we have seen in recent history.

With the current rate of expansion, supply will likely exceed demand sooner than originally expected. At that point, cattle prices will fall substantially. If history repeats itself, prices will fall further and faster than most people think possible. Unfortunately, most producers will be caught totally off guard and unprepared. Consequently, they will be forced into the survival mode. It will be too late for change.

To make matters worse... when cattle prices fall, the cost of inputs will continue to rise. The cost of raising a calf has doubled in just the last 15 years. The only producers who will continue to be profitable will be the ultra-low-input producers — the Herd Quitters. These are the producers who made the switch from the status quo "Increase Individual Animal Performance" paradigm to the "Increase Profit Per Acre" paradigm.

~ Kit Pharo 🖌

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As stated in previous newsletters, we have reason to believe most cow-calf producers can *double* their profit per acre once they stop focusing on the wrong thing. In addition to making a paradigm shift, this will require producers to work with nature — not against nature. It will require producers to implement proper grazing management, and it will require producers to have efficient, low-maintenance cows.

All cow-calf producers have the same opportunity to create a very profitable, enjoyable and sustainable business. Unfortunately, most won't change a thing! Wouldn't it be a shame to look back five years from now and realize you have very little to show for the blessings you received during the BEST of TIMES? I hope you will make the most of this once-in-a-lifetime opportunity — and so do your kids and grandkids.



"Progress is impossible without change, and those who cannot change their minds cannot change anything ."

~ George Bernard Shaw ~

TWO Fall Bull Sales

Zanesville, OH - Saturday, $Oct. 31^{st}$ Burlington, CO - Monday, Nov. 9^{th}

- Over 400 Grass-Developed Bulls
- Fleshing Ability has been Bred In NOT Fed In
- Evaluated and Scored for Disposition
- Evaluated and Scored for Horn Fly Resistance
- Guaranteed Calving Ease
- FREE and Very Afforda-BULL Delivery
- Call or Email to receive a Sale Catalog

THE

PHARO CATTLE COMPANY

NEWSLETTER

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Our Mission: To help ranchers put more fun and profit into their business.

Call or Email for a Free Subscription

Fall Sale Advantages...

You may have a springcalving cowherd and prefer to



buy your bulls in the spring. However, there are some BIG advantages to buying your bulls at one of our Fall Bull Sales.

- •Fall is the best time to move cattle from one environment to another — especially if you're moving them south and/or east.
- •Unlike most young bulls, our grass-developed bulls do not require much in the way of winter feed and care. In most cases, we recommend you run them with your older bulls. Don't be surprised if your young PCC bulls come through the winter in better shape than your older, non-PCC bulls.
- •Most spring-calving producers have more time to select and purchase bulls in the fall than they do in the spring.
- •These bulls are 18 months old going on two years. They will breed *more cows* for *more years* than bulls coming out of other programs.
- •If you need to buy something for year-end tax purposes, it makes a lot more sense to buy bulls than it does to buy equipment that depreciates and burns expensive fuel. Talk to your tax advisor about the Section 179 Expense.

"My PCC bull had no trouble adjusting to fescue grass and a much warmer climate."

Mike Greene — Arkansas

Can't Make the Sale?

If you don't think you will be able to attend either of our Fall Bull Sales, we suggest you request a sale catalog and take advantage of one of our Stay-At-Home options, as well as our Bull Delivery service. It is not unusual for 50% of our bulls to be purchased through our Stay-at-Home options — and for those bulls to be delivered from coast to coast and from border to border. Call us at **800-311-0995** to request a catalog.

Severe Shortage...

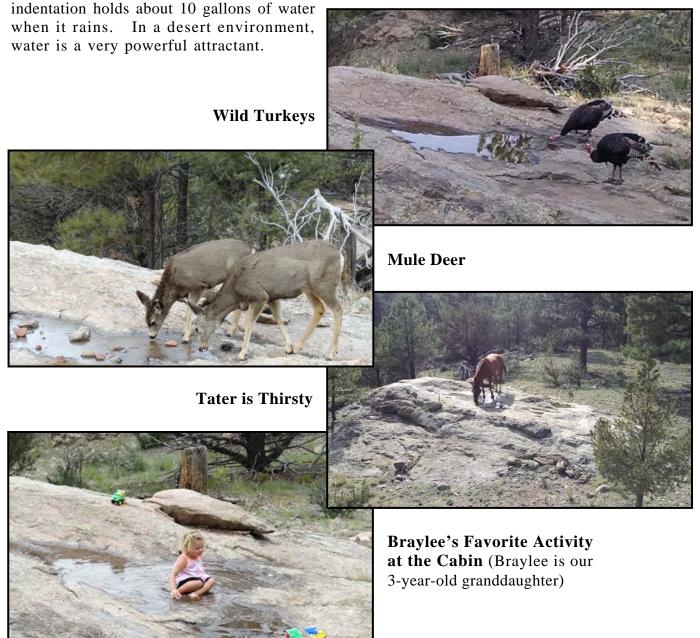
With herd expansion in full swing, there will be an extremely high number of heifers to breed. Consequently, there will be a severe shortage of genuine calving ease bulls. This shortage will do nothing but increase for the next year or two. While demand will increase sharply, the supply of genuine calving ease bulls will increase very little — if at all.

I suspect genuine calving ease bulls will be worth their weight in gold next spring. This fall may be your last opportunity to purchase calving ease bulls at Afforda-BULL prices. If you are going to need calving ease bulls within the next year or two, we suggest you purchase them NOW!

NO ONE sells as many genuine calving ease bulls as Pharo Cattle Company. We have been the industry leader for calving ease for well over 20 years. In previous PCC Updates and Newsletters, we have compared our calving ease with several status quo seedstock producers and AI companies. You will recall that there really is NO comparison!

Popular Rock...

 \mathbf{B} y design, there is a large rock just below the front deck of our mountain cabin. Every rock is unique — but this rock is unique in the fact that it has a large indentation on top. This



How Big is Big Enough?

I like to check out cow weights when I read market reports from various livestock auctions around the country. The average cow weight at a recent sale in South Dakota, for example, was 1480 pounds — with a range of 1180 to 1830. For what it's worth, the 1180 pound cow was owned by a PCC customer.

Cow size has increased dramatically during the last 50 years. Since big cows eat substantially more than small cows, this has forced ranches to destock and/or to increase supplemental feeding. With the cost of land and feed as high as they are, it is quickly becoming less and less profitable to own big, high-maintenance cows.

Since smaller cows are able to wean a higher percentage of their own weight, they will always produce more total pounds and more total profit than big cows — with the exact same inputs. To add insult to injury, there is evidence (see below) that smaller cows will actually wean bigger calves than big cows in a real-world, unpampered environment.

Average Cow Wt.	Average Weaning Wt.	Percent of Cow Wt. Weaned
1242	617	49.7
1357	611	45.0
1456	589	40.5
1549	598	38.6
1698	572	33.7

Table 1 — K. Ringwall, 2008 Beef Talk. Dickinson Research Extension Center at Dickenson, North Dakota

Your ranch can only support so much growth, milk and size. Once you go beyond that level, you will have to provide expensive supplementation to meet the needs of your big, high-maintenance cows. Without supplementation, your weaning weights and conception rates will suffer.

Like begets like! It shouldn't surprise you that most of the bulls being sold today were produced by 1400 to 2200 pound cows that must be pampered to stay in production. What size and type of cows will those bulls produce?

As far as I am concerned, thick, easyfleshing 3 and 4-frame cows that weigh 1100 to 1250 pounds are big enough. I have no use for the high-maintenance 5 to 7-frame cows that most ranches have.

Weekly Emails...

If you would like to receive our FREE weekly updates and devotions, send your request to Tammy@PharoCattle.com.

Ohio Bull Sale...

Our 2rd Annual Ohio Bull Sale will take place at the sale barn in Zanesville, Ohio, on October 31. We will be offering 35 Angus bulls and 5 Red Angus bulls. These bulls were developed on grass in Eastern Ohio. They are 18 months of age and ready for a heavy workload.

This sale will be broadcast over RFD TV and the Internet. Delivery will be provided to all **50** of our delivery points. Call us at **800-311-0995** to request a sale catalog.



During the coldest and snowiest winter in recent history, the 400 easy-fleshing, lowmaintenance PCC cows in Ohio only received hay for six days. They know how to graze and work for a living!

Colorado Bull Sale...

Our 15th Annual Colorado Fall Bull Sale will take place at the sale barn just west of Burlington, Colorado, on November 9.

We'll be offering 147 Angus bulls, 145 Red Angus bulls, 20 Black-Hided Red Angus bulls, 44 PCC Composite bulls and 9 Barzona bulls — for a total of **365** bulls. This will be our first offering of drought and heat tolerant Barzona bulls. All of these bulls were developed on grass in Eastern Colorado. They're 18 months of age and ready for a heavy workload.

This sale will be broadcast over RFD TV and the Internet. Delivery will be provided to **50** delivery points. We hope you will make plans to join us for this special event. Call or email to request a sale catalog.

PCC Star Ratings...

Pharo Cattle Company provides star ratings for the following traits on all of our sale bulls. A 5-star rating is the best — with 3-star being about average. The only exception is calving ease, in which our 2-star calving ease bulls are breed average for Angus and Red Angus. In other words, that is what everyone else is selling. The majority of our bulls have 4 and 5-star calving ease.

- Disposition Calving Ease
- Fleshing Ability Longevity
- Thickness
 Low Maintenance
- Muscling Hair Coat
- Masculinity Fly Resistance

NO ONE else in this business has even attempted to provide you with as much useful information as we do.

To help you utilize this information, we created our unique Quick Sort program. In addition to taking most of the guesswork out of buying bulls, this program will save you hours of time and frustration. Once you have identified the bulls that meet your specific needs, you will be able to watch a short video clip of each of those bulls. Helping you is our business — and we take it very seriously.

Call or Email to receive a Sale Catalog

NO Fat Bulls... NO Pampered Bulls... NO High-Pressure

Are you tired of buying over-fed bulls from pampered seedstock herds at hyped up, high-pressure auctions?

Our bulls were produced by some very efficient, moderate-sized cows that have never been pampered. They have been developed slowly and naturally on grass. They will NOT melt or fall apart when you take them home.

These coming-two-year-old bulls will be sold in their work clothes at our unique, low-pressure Cowboy Auction. We hope you will make plans to attend one of our fall bull sales.

Guaranteed Calving Ease...

Most of our bulls can safely be used on heifers. Many will be *guaranteed* for calving ease. Calving ease is extremely important to us because it is extremely important to our customers. Dead calves have distressingly low weaning weights.

In the Midst of Trials...

Most of us have experienced times of trial and tribulation. Misfortunes come in all shapes and sizes. It could be the loss of a loved one, or the loss of a job, or the loss of your health. It could be a natural disaster like a fire, tornado or drought. Troubled times are never enjoyable.

In James 1:2, we are told, "Consider it pure joy whenever you face trials of many kinds..." Why? Because, for the most part, it is only through troubled times that we are able to grow on a spiritual level. Troubled times cause us to draw nearer to God. Troubled times cause us to fully trust in him.

"The PCC way of ranching is enjoyable and profitable. Having efficient cows that graze yearround and calve in sync with nature does amazing things for the bottom line. We only wish we would have started sooner."

Henry Meyer — North Dakota



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Cowboy Logic: "Speak your mind, but ride a fast horse."

Pharo Cattle Company

Efficient, Easy-Fleshing, Moderate-Sized, Low-Input, Grass-Based Genetics — with Calving Ease —







Call or Email to receive a Catalog for our <u>two</u> Fall Bull Sales



800-311-0995

Bulls@PharoCattle.com