Pharo Cattle Company

Spring 2018 NEWSLETTER



Our customers are the most profitable cow-calf producers in the world.

CHEYENNE WELLS, COLORADO PHONE: 800-311-0995

Getting Your Money's Worth...

When purchasing bulls, cost is always a factor — but it should not be the only factor. First and foremost, you should consider the program behind the bulls. Bulls that are produced in a program that aligns with your long-term goals are worth a whole lot more than bulls coming out of a program that does not align with your long-term goals.



It is unfortunate, but most bull programs do not align with any commercial cow-calf operations. Most bull programs are high-input operations with big, inefficient cows that require substantial pampering just to stay in production. I just heard of an extremely high-input outfit that sold over 400 overfed Diesel Bulls for an average price of \$14,000. Unbelieva-BULL! Why would anyone pay so much for a bull that is guaranteed to fall apart?

Another very important factor in getting your money's worth is the number of calves a bull will sire before he must be replaced. It doesn't take a rocket scientist to figure out that a bull that sires twice as many calves as the average bull is worth twice as much as the average bull. After all, the reason you purchase bulls is to sire calves.

According to many university experts, you can only expect to get three years of use out of a high-maintenance, feedlot-developed Diesel Bull. On average, I think that may be too high. Even with supplementation, most Diesel Bulls can service no more than 20 cows their first year and no more than 30 cows their second and third years — for a lifetime total of 80 calves.

It is not at all uncommon for low-maintenance PCC Solar Bulls that are developed *without* grain to provide at least six years of service. In most cases, we are not afraid to turn our Solar Bulls out with 30-plus females their first breeding season. We expect our bulls to gain weight during their first breeding season — *without* being supplemented. Our mature bulls can handle 50-plus cows — for a lifetime total of at least 280 calves.

In this case... the PCC Solar Bull sired 200 more calves than the status quo Diesel Bull. If the Diesel Bull cost \$4000, his cost per calf would be \$50. At \$50 per calf, you could have paid as much as \$14,000 for the PCC Solar Bull, and still be getting your money's worth. Since PCC Solar Bulls cost about the same as Diesel Bulls, you will always get *MORE THAN YOUR MONEY'S WORTH* with a PCC Solar Bull... *AND* they come with a ONE-YEAR GUARANTEE!

We have testimonies from many longtime customers who put the above comparison to shame. We will share four of them with you.

"Our first PCC bull was purchased in 2001. We spent more than planned, but have never regretted it. We used him until he was 13 years old. On a per-calf basis, he was the cheapest bull we have ever purchased." (Paul Landrigan — Nebraska)

"I just sold my first PCC bull at age 12. He bred around 50 cows every year and always stayed in great shape." (Dan Temaat — Kansas)

"The ability of your bulls to breed a large number of heifers in a short period of time has greatly improved my profitability." (John Nino — California)

"I couldn't agree with you more about PCC bulls being able to breed more cows for more years than other bulls. I put my two PCC bulls out with 60 to 70 cows each — and they did great!" (Delvin LaDuke — North Dakota) "The opposite of courage in our society is not cowardice. It is conformity."

~ Rollo May ~

THREE Spring Bull Sales

West, TX — April 2nd Springfield, MO — April 5th Burlington, CO — April 16th

- **480** PCC Solar Bulls Angus, Red Angus, Polled Hereford and Composites
- One-Year Guarantee on All Sale Bulls
- Evaluated for Disposition, Thickness, Muscling, Masculinity, Fleshing Ability, Hair Coat, Fly Resistance and Much More
- 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: Help ranchers put more fun and profit into their business.

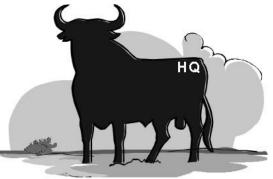
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Competitive Advantage...

When a business is able to sustain profits that exceed the average for its industry, that business is said to have a competitive advantage. The only way to truly prosper in any business is to have a competitive advantage over others in that business.

Nearly all the people in any business belong to the status quo herd. That is why it is called status quo. They conform and do things pretty much the same as everyone else in that business. They are content with being average. Because they're afraid to leave the herd, they will never have a competitive advantage.

The fact that most people are afraid to leave the so-called "comfort" of the status quo herd makes it easy for you and me to gain a distinct competitive advantage. However, we must be willing to do what members of the status quo herd are unwilling to do. We must be willing to differentiate ourselves from the herd.



A Herd Quitter is someone who has enough courage to break away from the status quo, herd-mentality way of thinking. It is more about thinking for yourself than anything else. The reason our customers are the most profitable cow-calf producers in the world is the fact that they are Herd Quitters.



Seedstock Producers — Sorted for Type...

Seedstock production is a specialized cow-calf operation that produces purebred or registered cattle to market to commercial cow-calf producers. Pharo Cattle Company started out as a commercial cow-calf operation in 1985. We soon discovered there was no source for the type of genetics we deemed necessary for sustained profitability. We saw this as an opportunity to become a seedstock producer that could provide the genetics, along with a way of thinking, that were focused on helping cow-calf producers put more fun and profit into their business (see our mission statement on page 2).

Out of necessity, every seedstock producer is trying to create his or her own niche within the beef industry. We all want to differentiate ourselves from the competition. Aside from breed choices, however, I've come to the conclusion that there are only five types of seedstock producers. At the risk of offending several fellow seedstock producers, I would like to briefly discuss the five types of seedstock producers. Perhaps this discussion will prove beneficial to start-up seedstock operations.

The most common type of seedstock producer for the past 50 years has been the Number Breeder. The Number Breeders are always breeding for bigger and bigger numbers and/or EPDs — for growth, size, milk, carcass traits, etc., etc. They have been known to flush yearling heifers with extremely high numbers to yearling bulls with extremely high numbers. The Number Breeders fail to understand that the optimum level for most traits is rarely, if ever, the maximum level. Consequently, the animals they produce are never as impressive as their numbers — and they seldom work in a real-world ranch environment.

The second most common type of seedstock producer is the **Fad Chaser**. Every year or two, the Fad Chasers will change the fad they are breeding for. When they see someone else appear to be successful at whatever he or she is breeding for, the Fad Chasers will try to jump on board the same train. Consequently, they have no program to sell because they themselves do not know what they are doing or where they are going. For obvious reasons, the Fad Chasers seldom last long in the seedstock business.

Less common, but gaining in number and popularity, are the **Pedigree Breeders**. These producers are convinced that only certain animals and/or lines of animals are worthy of being a part of their program. Most of the hard-core Pedigree Breeders I am familiar with are focused on the concentration of older genetics. If the pedigree looks good, it doesn't seem to matter how the animal looks or functions. Pedigree Breeders will do a considerable amount of linebreeding and inbreeding to maintain the so-called purity of their herd. I've seen some pedigree-bred cattle that looked very useful. I've seen others, however, that were absolutely horrible.

Also growing in number and popularity are the **Phenotype Breeders**. These breeders know exactly what they want their animals to look like — and they breed accordingly. They have a desired form — and they are willing to do whatever it takes to make it function. That is the exact opposite of "form follows function." The Phenotype Breeders are often influenced by the show ring and the club-calf business. Most of today's Phenotype Breeders are producing a type that is extremely thick and powerful. The cows often have a slightly masculine look to them. I have discovered most of these animals lack fertility.

The rarest type of seedstock producer, at least for the time being, is the Adaptation or Survival of the Fittest Breeder. These breeders understand that form *will* follow function — if allowed to do so. They produce low-maintenance animals that can survive on what the ranch produces with minimum, or no, inputs. A few Adaptation Breeders, like Pharo Cattle Company, are doing this in many different environments. Although most Adaptation Breeders pay attention to EPDs, utilize linebreeding and select for a certain size and type, their primary focus is on producing and marketing no-nonsense, grass-based genetics that can keep commercial ranches profitable and sustainable.

Low-Maintenance Requirements... How Do We Compare to the Status Quo?

As the cost of inputs continues to rise, it is becoming more and more important to have low-maintenance genetics in your cowherd. High-maintenance cattle must eat substantially more just to meet their maintenance requirements. Maintenance requirements *must* be met *before* any weight gain or reproduction can take place. There's a *HUGE* difference between what we consider to be low maintenance and what status quo producers consider to be low maintenance.

What is status quo? Since nearly all seedstock producers use bulls or sons of bulls marketed by the major AI companies, we think it is appropriate to consider those bulls to be status quo bulls. We recently received AI catalogs from three major AI companies. We compared the maintenance requirements of the status quo Angus bulls in those catalogs to the Angus bulls that will be selling in our upcoming spring bull sales.

How do we calculate a Low-Maintenance Score? The American Angus Association has a Cow Energy Value (\$EN) EPD that allows us to compare animals in regard to maintenance requirements. The higher the number the better. Bulls that have a \$EN EPD in the top 20% of the breed receive a 5-star rating for low-maintenance. A 5-star rating is the very best. Bulls in the next 20% receive a 4-star rating. Those in the middle 20% receive a 3-star rating. Those in the next 20% receive a 2-star rating — while those in the bottom 20% receive a 1-star rating.

<u>Status Quo Angus</u>	Pharo Cattle Company Angus
5-star 7%	5-star 99%
4-star 5%	4-star 1%
3-star 15%	3-star 0%
2-star 22%	2-star 0%
1-star 51%	1-star 0%

Not surprisingly, there is absolutely *NO comparison!* Over **50%** of the status quo bulls have a \$EN EPD in the **bottom 20% of the Angus breed**. They continue to take the industry in the wrong direction at a high rate of speed. In contrast, **99%** of the Angus bulls that will be selling in our spring bull sales are in the **TOP 20% of the breed**. Pharo Cattle Company is so far ahead of the status quo very few people truly understand what we have to offer. We have the genetics you need to increase pounds and profit per acre — in good times and in not-so-good times.

Sooner or later... all cow-calf producers will be forced to produce easy-fleshing, grassefficient cows with extremely low maintenance requirements — or they will be forced out of business. Why not get a head start on everyone else? Those who are the quickest to adapt and change will be in the driver's seat — while those who are the slowest to change will get left behind or run over. High-maintenance cattle will eventually go the way of the dinosaurs.

No one produces as many ultra-low-maintenance bulls as Pharo Cattle Company does! That is our specialty! We will be selling **480** PCC Solar Bulls in our three Spring Bull Sales. If you would like to receive a catalog, call 800-311-0995 or send us an email.





10-year-old, low-maintenance, PCC Solar Cows stay this fat raising calves — even during a severe drought

Philosophies Behind Our Bulls

- 1. Honesty and integrity will never be compromised.
- 2. We will manage the natural resources placed under our control in a sustainable manner.
- 3. The breed of cattle is not nearly as important as the breeding program and the philosophies behind the cattle.
- 4. Cows are run in a real-world environment, as tough as or tougher than the environment most commercial cows are run in.
- 5. We let the environment sort out the good ones, while showing no sympathy for open, late or dry cows.
- 6. We will never make an excuse for a cow. She must produce and wean a calf every year to remain in the herd.
- 7. By limiting feed resources we try to apply sufficient pressure on the cowherd to force out the unadapted and infertile animals.
- 8. In addition to growth and performance, we select for other vital economic traits like fertility, fleshing ability, calving ease, moderate cow size, structural correctness, disposition and longevity.
- 9. Replacement heifers are developed and maintained on a low-cost, forage-based diet with minimum supplements. We only want the most efficient and most adapted heifers to make it into the cowherd.
- 10. A bull calf must be born unassisted, from an efficient, moderate-sized cow that has never missed, in order to make it into one of our bull sales.

Weekly Emails...

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

Drought Discount...

The drought has done nothing but expand since our fall bull sales. Therefore, we decided to offer our Drought Discount at



our three spring bull sales. You can receive up to a **10% Discount** on all the bulls you purchase, based on the severity of the drought in your area. This is our way of helping you make the best of a bad situation.

Our Drought Discount will be based on the U.S. Drought Monitor Map — which is updated every week. It shows five levels of drought from "Abnormally Dry" to "Exceptional Drought." Each level of drought will be worth a 2% Discount. We will share a link to the U.S. Drought Monitor Map in our weekly PCC Updates.

We initiated our unique Drought Discount in the fall of 2012 – and extended it to the spring of 2013. All total, we gave out \$168,000 in Drought Discounts at those sales. We reactivated our Drought Discount last fall and gave out another \$20,000. I think it is safe to say no one else in this business would even consider doing something like this.

PCC's AI Sire Directory...

There are 62 top-sort bulls to choose from in this year's lineup. Most of these bulls are Angus and Red Angus — but we also have some Polled Hereford, Lowline, Tarentaise and Composite bulls, as well as one Mashona bull (indigenous African breed).

If you are serious about reducing cow size and maintenance requirements, and if you are serious about increasing thickness and fleshing ability, and if you are serious about calving ease and cow efficiency, then we have exactly what you are looking for. We have the biggest and best selection of low-maintenance, grass-based genetics in North America.

Call or email to request our 2018 AI Sire Directory

DO NOT READ THE NEXT SENTENCE.

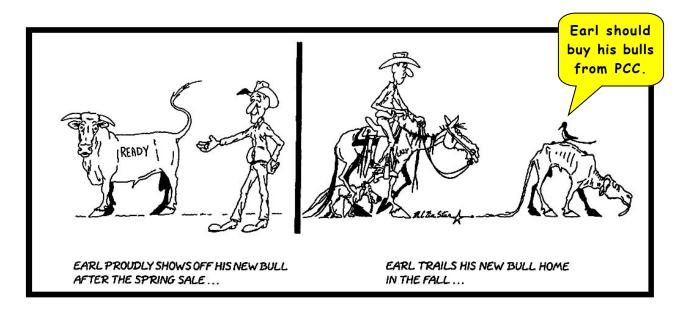
YOU LITTLE REBEL. I LIKE YOU.

A Score for Cow Longevity...

How can you identify the most profitable cows in a cowherd? The answer is so simple most people miss it. The most profitable cows in an unpampered cowherd will always be the oldest cows. These are the cows that have done everything right, without missing, for at least ten years.

All of the traits we measure and select for have absolutely *no* economic value outside the confines of the momma cow's long-term ability to thrive on the ranch with minimum inputs. When you select for longevity, you are inadvertently selecting for fertility, efficiency, production, soundness, mothering ability, good udders, disposition and much, much more.

For the last 10 years, we've provided a longevity score for all of the registered bulls we sell. To do this, we created a formula based on all the cows in a bull's four-generation pedigree. This formula is not perfect — but it should enable you to select bulls that will produce replacement females that will keep going... and going... and going.



Focus on the Right Thing...

Making the transition from being a member of the high-input, status-quo herd to being a low-input Herd Quitter is not easy for most people. Why? Because it involves breaking some long-held paradigms, traditions and mindsets.

Most ranchers realize their inputs and expenses are too high. They realize they are not making much profit for the amount of money and labor they have invested in their business. They realize their cows have gradually gotten too big and inefficient. They realize every increase in the cost of production will reduce their profits. Some realize they are slowly, but surely, going broke.

Even though they realize they are in trouble, many continue to focus on the wrong thing. They continue to focus on individual animal performance (weaning weight). Contrary to popular opinion, trying to increase pounds per animal will *always* have a negative effect on profit. We *MUST* focus on increasing pounds PER ACRE — instead of pounds per animal.

Three Spring Bull Sales...

We hope you will make plans to attend at least one of our three spring bull sales. We will be selling **480** low-maintenance bulls that have been developed *without* grain.

Our Texas Bull Sale will be held in the town of West, Texas, on April 2^{nd} . It will feature 112 bulls — Angus, Red Angus, Polled Hereford and Heat-Tolerant Composite.

Our **Missouri Bull Sale** will be held near Springfield, Missouri, on **April 5th**. It will feature **162** bulls — Angus and Red Angus.

Our Colorado Bull Sale will be held near Burlington, Colorado, on April 16th. It will feature 206 bulls — Angus, Red Angus and Polled Hereford.

Call 800-311-0995 to request a Sale Catalog

We encourage you to attend — even if you don't need a bull. Come see what all the whoopla is about. Attend our pre-sell meeting, meet our producers, visit with our customers and see what our PCC Solar Bulls look like.

An Eye for an Eye...

Have you ever heard someone say, "I don't get mad; I get even." Perhaps you have said it yourself. When someone wrongs us, our human nature wants to get even. Sometimes we become so consumed with getting even that we endanger our own health and wellbeing. For example, I have burned with anger at people who had absolutely no idea I was mad at them. My anger was not affecting anyone but me.

I'm going to share a couple of verses from the Bible that really need no further discussion. If you can abide by these verses, you've achieved true greatness in my eyes.

Jesus said, "You have heard that it was said, 'Eye for eye, and tooth for tooth.' But I tell you, do not resist an evil person. If someone strikes you on the right cheek, turn to him the other also." (Matthew 5:38-39)

Calving Ease...

How Do We Compare to the Status Quo?

We have always been serious about calving ease because our customers are serious about calving ease. Calving ease genetics save time and labor — which increases enjoyment. Calving ease genetics also have a positive effect on profitability. It doesn't matter how much growth potential a calf has if it is born dead. Dead calves have distressingly low weaning weights.

To determine how Pharo Cattle Company compares to the status quo, we compared the birth weight and calving ease direct EPDs of the bulls in the three AI catalogs to the Angus bulls that we will be selling in our upcoming spring bull sales. We rate the bulls we sell for calving ease with 1 to 5 "stars". A 5-star bull is the absolute best, while a 1-star bull is the worst. 2-star calving ease is Angus breed average. We rated the status quo AI bulls the same as we rate our bulls for calving ease.

<u>Status Quo Angus</u>	Pharo Cattle Company Angus
5-star 12%	5-star 45%
4-star 22%	4-star 38%
3-star 28%	3-star 16%
2-star 20%	2-star 1%
1-star 18%	1-star 0%

Once again... there really was *NO comparison!* Over **60%** of the status quo bulls are 3-stars or less. In contrast, over **80%** of our bulls have 4 and 5-star calving ease. Pharo Cattle Company produces more bulls with genuine calving ease than anyone else. No one else would even consider *guaranteeing* calving ease.

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Dare to be a Herd Quitter

Cowboy Logic: "Silence is often misinterpreted, but never misquoted."

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>three</u> Spring Bull Sales and/or an AI Sire Directory

800-311-0995

Bulls@PharoCattle.com

