



Time for Change...

I believe we are ranching in the best of times. Cattle prices are as high as they have ever been, and it looks as though they will go higher. I also believe that if the beef industry does not make some drastic changes, it will go the way of the sheep industry. Without change, the beef industry could suddenly collapse and be reduced to a fraction of its current size. This is something that needs to be discussed — but most beef producers don't want to pull their heads out of the sand long enough to acknowledge what is going on.

The cattle market, like most markets, is driven by supply and demand. The supply of beef cattle is smaller than it has been for over 50 years. That is why cattle prices are as high as they are. Supply is so low that most producers have been led to believe that demand for beef is strong. At the calf and feeder level, demand is strong — but what has been going on at the supermarket and consumer level?

In 1970, per capita consumption of beef in the United States was 85 pounds per year. Per capita consumption of chicken in 1970 was 40 pounds. Americans were eating over twice as much beef as chicken. By 2013, per capita consumption of beef had dropped to 56 pounds, while consumption of chicken had risen to 82 pounds. Chicken consumption more than doubled in 43 years. Not only has this trend been very consistent — it has picked up speed in recent years.

Most cow-calf producers believe people *need* what they produce. That couldn't be further from the truth. People do NOT need what we produce; they *want* what we produce. However, as the price of beef continues to increase, more and more people are being forced to switch to cheaper sources of protein. For a growing number of families, beef is being consumed only on special occasions. Based on the current trend, the National Chicken Council expects beef consumption to drop to 53 pounds per person this year. That is a decrease of five percent per year. If this continues, beef consumption per person will be down to only 31 pounds in just ten years — and 18 pounds in 20 years. If you are a beef producer, how secure is the future of your business?

Is there a solution to this problem? Of course there is. We must lower the price of beef in the supermarket. That, however, is much easier said than done because the current beef industry model will not allow us to lower the price of beef. It *is* possible, though! The only way to lower the price of beef is to lower the cost of production. If we can produce beef for less, we can sell it for less. The current beef industry model was built on cheap feed and cheap fuel. That era is over! Consequently, the cost of beef production is way too high — and getting higher.

We MUST become low-input beef producers at all levels of production — from birth to slaughter. For most producers, this will require a drastic change in thinking and genetics. Many of the current beef producers will not survive the transition. The new beef industry model will require low-input management practices along with extremely low-maintenance cattle — the kind that can produce top-quality beef with minimum inputs. Genetics of this nature are already available — but are relatively scarce and not widely distributed.

If we do nothing... I'm afraid the beef industry, as we know it, will suddenly come to an end — with very little warning. When our record-high cattle prices are no longer being supported in the supermarket, the beef industry will crumble from the top down. I don't know where the tipping point is, but I think it is closer than most producers want to admit.

"If you do not change direction, you may end up where you are heading."

~ Lau Tzu (604-531 BC) ~



*Exeter, MO – Wednesday, April 2nd
Burlington, CO – Monday, April 14th*

- ◆ Over **300** Low-Input Solar Bulls
 - ◆ Afforda-BULL Prices – Volume Discounts
 - ◆ Evaluated and Scored for Disposition
 - ◆ Guaranteed Calving Ease
 - ◆ All Bulls will be Trich Tested
 - ◆ 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.

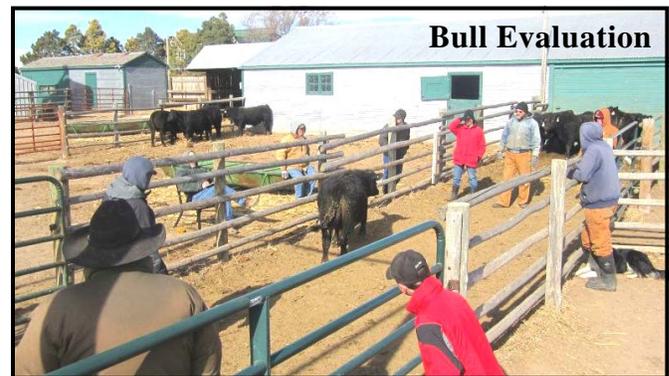
Call or Email for a Free Subscription

Bull Workdays...

We will be working our bulls in late January in preparation for our two spring bull sales — and YOU ARE INVITED to join us. We will have one bull workday in Missouri on Friday, January 24. We will have two or three workdays in Colorado (January 28-30). These workdays won't be anything fancy or formal. We just want to provide an opportunity for you to get a first-hand look at what goes on at Pharo Cattle Company.

We will be evaluating and scoring bulls for *fleshing ability, thickness, muscling, masculinity* and *disposition*. We will also be *weighing, measuring* and *ultrasounding* the bulls. You can jump in and help or stand back and watch. Once this information has been gathered, we will decide which bulls are good enough to make the sales and start work on our sale catalog.

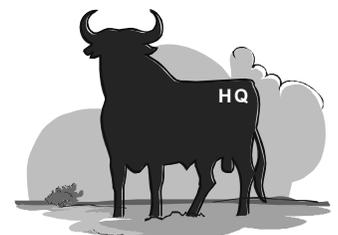
For more information on our Bull Workdays call 1-800-311-0995.



Dare to be a Herd Quitter...

My definition of 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.

Following the crowd and doing what everyone else is doing is seldom the best way to manage your business. In fact, it may be the absolute worst way to manage your business. If you're doing what everyone else is doing, you'll **never** be above average and you'll **never** have a competitive advantage.



Fescue-Country Bull Sale...

For the second year in a row, Pharo Cattle Company will sell our 18-month-old fescue-developed bulls in Fescue Country.

We've been developing our fall-born bulls on fescue in Missouri for the past nine years — but we have been selling them in Colorado. That changed last year.

We will be offering 100+ Angus and Red Angus bulls in this sale. The sale will be held at the sale barn in Exeter (Southwest Missouri) on **Wednesday, April 2nd**.

Call or email for a Sale Catalog



Low-maintenance first-calf heifer with her 45-day-old bull calf under severe drought conditions.



Men's Rules for 2014...

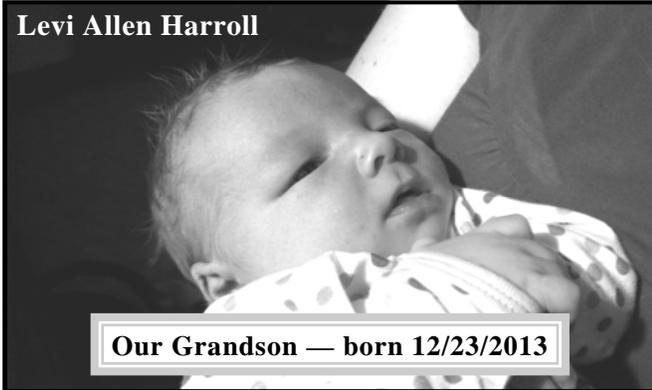
We always hear "the rules" from the female point of view. Now ladies... here are *our* rules for 2014. Men, it will help to think of sleeping on the couch as camping out.

- ◆ Learn to work the toilet seat. You're a big girl. If it's up, put it down. We need it up, you need it down. You don't hear us complaining when you leave it down.
- ◆ "Yes" and "No" are perfectly acceptable answers to almost every question.
- ◆ Crying is blackmail.
- ◆ Ask for what you want. Let us be very clear on this one. Subtle hints do not work! Strong hints do not work! Obvious hints do not work! Just say it!
- ◆ Come to us with a problem only if you want help solving it. That's what we do. Sympathy is what your girlfriends are for.
- ◆ A headache that lasts for 17 months is a problem. See a doctor.
- ◆ Anything we said 6 months ago is inadmissible in an argument. In fact, all comments become null and void after 7 days.
- ◆ If you think you're fat, you probably are. Don't ask us.
- ◆ If something we said can be interpreted two ways, and one of the ways makes you sad or angry, we meant the other one.
- ◆ Christopher Columbus did not need directions and neither do we.
- ◆ All men see in only 16 colors, like Windows default settings. Peach, for example, is a fruit, not a color. Pumpkin is also a fruit. We have no idea what Mauve is.
- ◆ If it itches, it will be scratched. We do that.
- ◆ If we ask what's wrong and you say "nothing," we will act like nothing is wrong. We know you are lying, but it's just not worth the hassle.
- ◆ Don't ask us what we're thinking about unless you are prepared to discuss such topics as sports, guns, horses and/or monster trucks.
- ◆ You have enough clothes — and you have too many shoes.
- ◆ I am in shape. Round is a shape.

America...

Where the phones are getting smarter and thinner, while the people are getting dumber and fatter.

Levi Allen Harroll



Our Grandson — born 12/23/2013

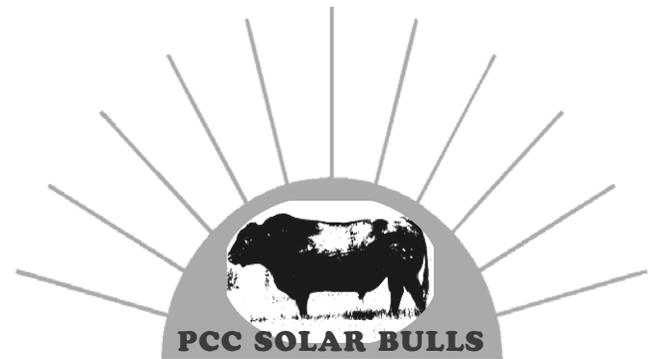
"PCC four and five-star calving ease bulls have virtually eliminated calving problems. I now check twice a day — instead of every three to four hours."

Brad Young — Nebraska

Worth the Wait...

Our Spring Bull Sales will be among the last of the season — but we think they'll be well worth the wait.

Where else can you find such a large selection of Solar Bulls that were developed without grain? Where else can you find bulls that were produced by efficient, easy-fleshing, low-maintenance momma cows that have never been pampered?



Calving Ease Comparison...

By Tyson Pharo

I went through recent sale catalogs from four of the biggest Angus seedstock producers in the U.S. I wanted to compare the calving ease of their bulls to the Angus bulls we sold in our Fall Bull Sale. I gave each bull a calving ease score just like we do with PCC bulls — from 1-star to 5-star, with 5-star being the best. Bulls with 2-star calving ease are right at breed average.

I was surprised by the “heifer bull” recommendations that I found in those sale catalogs. We would never recommend using most of their bulls on heifers. I was also surprised that 46% of their bulls only had 1-star calving ease.

Status Quo Angus Producers

1-star 46%
2-star 17%
3-star 18%
4-star 14%
5-star 5%

Pharo Cattle Company Angus

1-star 0%
2-star 0%
3-star 33%
4-star 27%
5-star 40%

As expected, there really was *no* comparison. Pharo Cattle Company has more bulls with genuine calving ease than anyone else. No one else would even consider guaranteeing calving ease. Our 2 and 3-star calving ease bulls will typically average \$1000 less than our 4 and 5-star calving ease bulls.

Getting Your Money's Worth...

When purchasing bulls, cost is a factor — but it shouldn't 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 programs that do not align with your long-term goals.



The biggest factor, however, 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 is 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+ 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+ 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 status quo 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 almost always get **MORE THAN YOUR MONEY'S WORTH** with a PCC Solar Bull.

We have testimonies from many longtime PCC customers who put the above comparison to shame. I will share a few them with you...

"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)

"We put our new PCC bull in with our heifers and he bred 47 head in 21 days — all by himself!" (Kathy Kissack – Wyoming)

"We spent more than planned for our first PCC bull, 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 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)

"We used our first PCC bull for ten years — and in that time he naturally sired over 1000 calves in spring and fall-calving herds." (Garth Lloyd – Missouri)

"Your bulls have proven themselves so well that we have been able to reduce the total number of bulls we use by 17 bulls." (Jim Espy – Wyoming)

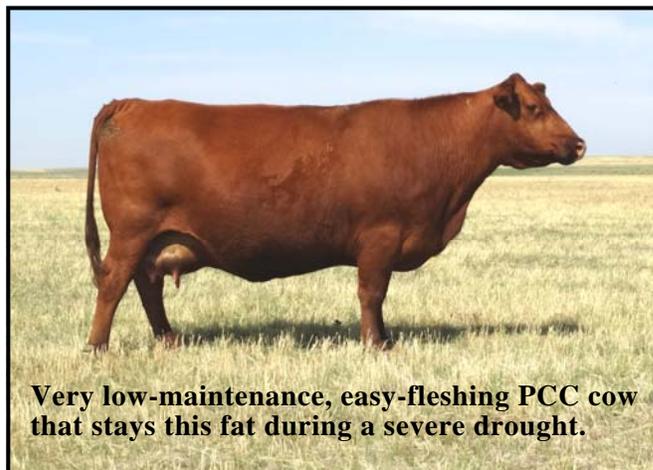
"All of the bulls we have purchased from you are still going strong. The oldest two are coming nine years old." (Eddie Abraham – Texas)

How much can you afford to spend on the right bull? That is a question you will have to answer for yourself. However, I have never heard of anyone spending too much for the right bull. On the other hand, the wrong bull will always cost too much — no matter how cheap he is.

Missing Out...

If you are not receiving our weekly emails — you are missing out on a lot. Well over 95% of the information we share is sent out via email. If you like our newsletters, you will love our emails.

If you would like to receive our FREE and Very Opinionated weekly updates and devotions, send your request (along with your name) to Tammy@PharoCattle.com.



Low-Maintenance Comparison...

As feed and other input costs continue to rise at unprecedented rates, it is becoming more and more important to have low-maintenance genetics in your cowherd. There is a HUGE difference between low-maintenance cattle and high-maintenance cattle. High-maintenance cattle will cost you substantially more in the feedlot, as well as on the range. High-maintenance cattle must eat more just to meet their higher maintenance requirements — *before* they can start gaining weight. Most people are amazed at what a herd of low-maintenance cows can do — even with a limited amount of forage resources.

Tyson's calving ease comparison (page 4) prompted me to compare the maintenance requirements of status quo cattle to PCC cattle. I went through recent sale catalogs from two of the biggest Angus seedstock producers in the U.S. (two of the four that Tyson used). Since a very high percentage of Angus seedstock producers use bulls produced by these two outfits, I figured this would be a good representation of status quo genetics.

How do we calculate a Low-Maintenance Score? All bulls that have an EN\$ (energy) 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. Bulls with a 1-star rating for low-maintenance require a tremendous amount of energy just for maintenance.

Status Quo Angus Producers

1-star 84%
2-star 12%
3-star 4%
4-star 1/3 of 1%
5-star 0%

Pharo Cattle Company Angus

1-star 0%
2-star 0%
3-star 0%
4-star 0%
5-star 100%

Suffice it to say... I was very surprised to discover that status quo bulls were so bad in this trait. I was also a little surprised to see that 100% of the Angus bulls we sold in our Fall Bull Sale were in the top 20% of the breed. Well over half of them were in the top 10% of the breed. Pharo Cattle Company continues to be very different for all the right reasons. High-maintenance cattle will soon go the way of the dinosaurs.

NOTE: Maintenance requirements MUST be met *before* any weight gain or reproduction can take place.

We will be selling over 300 low-maintenance PCC Solar Bulls in our two Spring Bull Sales. If you would like to receive a catalog, call us at 1-800-311-0995 or send us an email. The sooner you make your request, the sooner you will start receiving our *PCC BULLETINS*.

Kit's Latest Endeavors...

Those who receive our weekly emails are well aware of my new interests and undertakings, but I thought I should bring the rest of you up to speed. A few family members think I am suffering from midlife crisis. They might be right. Since I quit riding bulls thirty-five years ago, I have not had any hobbies or things to do in my spare time. Truth be known, I have lived and worked in such a way that I never have any spare time. That needs to change. My new motto is:

“You don't always have to have a reason for doing something. Do it because you want to. Do it because it is fun and because it makes you happy.”

I have long been intrigued by gaited horses like the Tennessee Walking Horse. I rode my first gaited horses in early October when we went to Tennessee for our son's wedding. I liked it. I went back in November and purchased five gaited horses. They give me a reason to get out of the office. I hope to introduce and sell some gaited horses to other western ranches.



Tucker... on the move



Spotted Mouse... just two years old



Shady... has lots of cow sense

Walking horses have an intermediate-speed ambling gait instead of a trot. The flat walk is a brisk, long-reaching walk that can cover 4 to 8 miles per hour. It is a little faster than the walk of a Quarter Horse. The running walk is the gait that walking horses are best known for. This extra smooth, gliding gait is similar to the flat walk with the exception of speed. Horses traveling in the running walk can cover 10 to 20 miles per hour, with an extremely smooth motion (no need to stand up and down in the stirrups like we do when a horse is trotting). The third main gait is the canter, which is a very easy-riding (rocking chair) lope.

In a PCC Update (weekly email), I jokingly said, *“Don't tell my family ...but my next midlife crisis activity may be the production of bucking bulls.”* This is something I have dreamed about since I was a kid. Within a week, long-time friend, Curt Pate, called and told me that his wife Tammy has a herd of bucking bull cows that are looking for a new home. Talk about opportunity falling in my lap. Their daughter, Mesa Pate, is well known in the Professional Bull Riders (PBR) world for owning some great bucking bulls.

In less than a month, I acquired one-third interest in a yearling bucking bull that looks very promising. He is a Pinball Wizard son out of a cow that goes back to the great Bodacious bull. He competed against 34 of his herd mates in a 6-second bucking contest with a 14-pound weight on his back. He placed fourth — just out of the money. These bulls are bred to buck! I hope to purchase an interest in a few of the young bulls Tammy and Mesa Pate are training.

Tammy and I are in the process of moving some of her bucking bull cows to PCC Headquarters in Eastern Colorado. Suffice it to say, this will add a totally new dimension to PCC ranch tours.

It would be difficult for me to be involved in the production of bucking bulls without having a connection to the bucking bull world through Mesa Pate. Through determination and hard work, she has made a name for herself in an industry that is dominated by men.



Mesa Pate ...and Company

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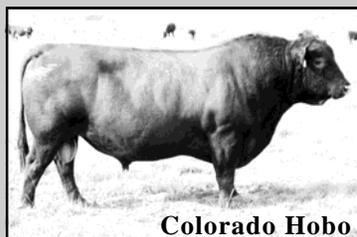
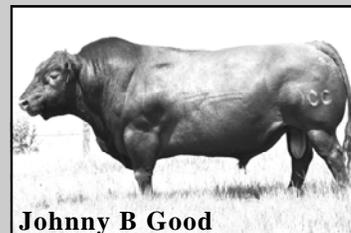
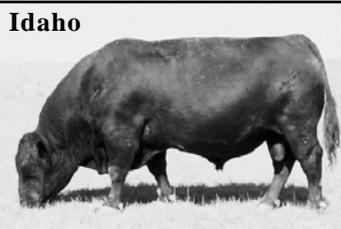
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Cowboy Logic: "Some people hate change so much, they put the quarter back into the coke machine."

PHARO CATTLE COMPANY

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



*Call or Email to receive our AI Sire Directory
and/or a Catalog for our two Spring Bull Sales*

1-800-311-0995

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