



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

## *The Cost of Land...*

In most places, the cost to buy or lease land is unbelievably high — and it is getting higher all the time. Since there is a finite amount of land and a growing number of people, this trend will likely continue until the end of the world. If you are a cow-calf producer, this should concern you because your business is totally dependent upon land.

Never before has it been so important to maximize production *per acre*. Unfortunately, most cow-calf producers remain focused on maximizing production *per animal*. Contrary to what you may have been led to believe, bigger is not always better. Increasing production per animal will almost always have a negative effect on production and profit per acre.

**For over 50 years...** the mainstream beef industry has been selecting and breeding exclusively to increase production per cow. As a result of this incessant selection for bigger and bigger weaning weights, bragging rights have increased, cow size has increased, stocking rates have decreased, cost of production has increased — **and profits have decreased.**

Today's cow-calf producers are struggling to make a decent living. More and more have been forced to subsidize their business with outside income. Sadly, many old family farms and ranches, that were debt-free for decades, are borrowing against their equity just to stay in business. Is that sustainable? Tragically, more and more producers are being forced to file for bankruptcy.

*“If corn farmers thought like beef producers, they would space their plants far apart and try to maximize the number of ears per plant and the number of kernels per ear. They would think nothing about yield per acre. In the end, they would all go broke.” ~ Johann Zietsman*

**If you don't already understand** the difference between increasing production *per animal* and increasing production *per acre*, this may be the biggest paradigm shift you have ever encountered. It will also be the most important paradigm shift you need to make. Since they are not making any more land, it is imperative for you to make the most of every acre of land you control.

*~ Kit Pharo*



*"Any fool can criticize, condemn and complain — and most fools do."*

~ Benjamin Franklin ~

## THREE Spring Bull Sales

*West, TX — April 5<sup>th</sup>*

*Springfield, MO — April 8<sup>th</sup>*

*Burlington, CO — April 19<sup>th</sup>*

- Over **500** Solar Bulls — Angus, Red Angus, Polled Hereford and Heat-Tolerant Composite
- One-Year Guarantee on All Bulls
- Evaluated and Scored for Disposition, Thickness, Muscling, Masculinity, Fleshing Ability, Grass Efficiency, Hair Coat, Fly Resistance and More
- Guaranteed Calving Ease
- Fleshing Ability has been Bred In — Not Fed In
- Over 50 Delivery Points Across the Nation

*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.*

Call or Email for a Free Subscription

## Fall Sale Results...

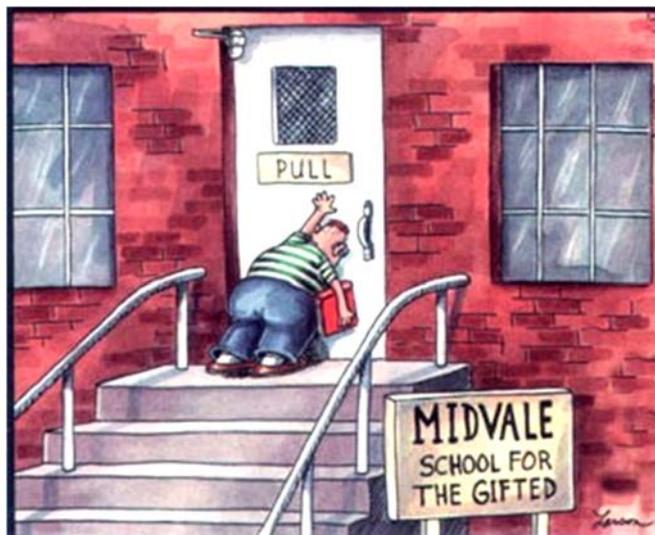
We sold **470** ultra-low-maintenance, grass-developed bulls in our three fall bull sales (Nebraska, Colorado and Alabama). These bulls averaged \$5170 — with a range of \$2000 to \$12,500. As expected, our customers were willing to pay a premium for disposition, calving ease and fleshing ability.

We sold and delivered bulls into 32 different states. We also sold a Heat-Tolerant Composite bull to a customer in Australia. A whopping 60% of the bulls were purchased by Stay-at-Home bidders. With our unique Quick Sort program, bull videos and delivery options, we make it easy for our customers to purchase bulls without leaving home.

**Afforda-BULL...** Over 25% of the bulls in our fall bull sales were sold for \$3500 or less. We think that's very affordable, especially when you consider our bulls can breed twice as many cows for twice as many years as bulls coming out of most programs. *What's a bull worth that can breed twice as many cows for twice as many years?* He's worth a whole lot more than you'll ever have to pay for him!

## Drought Discount...

With the expanding drought, we pulled our Drought Discount off the shelf and dusted it off for our fall bull sales. This allowed our customers to receive up to a **10% Discount** on all the bulls they purchased. We gave out a total of **\$95,000** in Drought Discounts at our three fall bull sales.



## ***Big-Calf Syndrome — It Can Be Fatal...***

No, this is not an ailment that affects big calves. This is an ailment that affects ranchers who believe they must produce big calves to be profitable. Big calves are not always profitable. In fact, small calves are almost always more profitable than big calves. I know some of you find this hard to believe, but it's true. Allow me to share three reasons for this.

**Cost of Production** will always have a bigger impact on net profit than calf size. Profit is measured by subtracting your expenses from your income. Therefore, it's possible to increase your profits simply by decreasing your expenses. I know several ranchers who are always profitable even though their calves are much smaller than average. Their success comes from their ability to maintain a very low cost of production which, in turn, creates a very low break-even point.

**Stocking Rate.** Some ranchers have small to moderate sized cows that require very little in the way of outside inputs. This allows them to run more cows on the same forage resources than ranchers with large, high-production cows. Because smaller cows can wean a higher percent of their own body weight, they will *always* produce more total pounds than bigger cows on the exact same acres. This is one of the easiest ways to increase pounds and profit per acre.

Although these ranchers don't have any bragging rights at the local coffee shop, they've proven that 400 to 450-pound calves can be very profitable. In contrast, I've talked to many producers who seem to be doing everything right, but struggle to break even with 500 to 600-pound calves. What went wrong? Big, high-maintenance cows do not fit the environment. Therefore, the producer must reduce stocking rates and/or increase supplemental feeding.

**Price Per Pound.** Small calves always sell for more per pound than big calves. Cow-calf producers never receive fair compensation for producing big calves. To add insult to injury, take a look at market reports from your local livestock auction. Most years, it isn't difficult to find examples where 450-pound calves sell for about the same price per head as 600-pound calves. In those cases, the extra 150 pounds have absolutely no value!

*More total pounds that are worth more per pound* seems like a no-brainer! So... why are most cow-calf producers still trying to increase weaning weights? They mistakenly believe they must produce big calves to be profitable. Eventually, however, these high-production producers will realize profit is more important than bragging rights. If they don't, Big-Calf Syndrome may put them out of business. It doesn't matter how big your calves are if they're not profitable!

## ***The Aha Moment...***

Over the years, the illustration below provided the "Aha Moment" hundreds of cow-calf producers needed to *STOP* focusing on increasing pounds per animal (bragging rights) and *START* focusing on increasing pounds per acre (profit).

**50,000 pounds of 450-pound calves** - OR - **50,000 pounds of 600-pound calves**



**Which Truckload is Worth More?**

**Year in and year out**, the truck with the 450-pound calves will be worth at least \$20,000 more than the truck with the 600-pound calves. If your ranch produces five truckloads of calves, that would be a difference of \$100,000!

## ***Low Input = High Profit...***

No one sells as many low-maintenance bulls as Pharo Cattle Company. For three decades, we have bred and selected for cattle that can do the most for the least — in many different environments.

It's much easier, as well as more profitable, to produce low-maintenance cows that fit the environment than it is to artificially change the environment with expensive inputs to fit high-maintenance cows.

Most ranches can increase stocking rates by 30% when they switch to the right size and type of cows. Stocking rate affects profitability more than anything else. Low-maintenance cows will always produce more pounds per acre than high-maintenance cows.

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

**Many PCC customers tell us** they get more growth from our so-called “low-growth” bulls than they got from the so-called “high-growth” bulls they used to use. How can that be? Their environment cannot support the high-growth (high-maintenance) genetics they used to use.

Your environment can only support so much size, growth and milk without reducing stocking rates and/or increasing supplemental feeding. Research has shown that in a real-world ranch environment, high-maintenance cows will actually wean smaller calves than smaller, more efficient cows.



***Ultra-Low-Maintenance  
10-Year-Old Cow  
3-Frame — 1150 Pounds***



## ***The New Year... 2021*** By Kit Pharo

Some say the first day of the new year is no different from the last day of the previous year. They may be right — but, in my mind, starting a new year allows me the opportunity to hit the refresh button on my life. I start every year with excitement and anticipation.

As we say goodbye to one year and hello to the next, it is good to reflect on where we have been, where we are, and where we would like to be. Is everything in your life exactly the way you would like it to be? I can rightly say I am content and satisfied with things as they are. That, however, would be falsely admitting there is no room for improvement.

**The year 2021** will come with its own set of challenges. For example, we will still have to contend with Covid-19 and the effect it is having on the world around us. Many of us are starting the new year smack-dab in the middle of a severe drought. Cattle prices will most likely continue to be very volatile. It won't take much to create wide swings in cattle prices.

We need to focus on the things we have some control over to deal with the things we have no control over. For example, we have no control over Covid-19, the weather and the markets — *BUT* we do have the ability to create a business that is resilient enough to survive whatever comes our way. I suggest you find ways to *increase production per acre* while *decreasing cost of production*.

**As you begin the New Year...** I encourage you to reflect on where you are and where you would like to be — and then I encourage you to *make things happen!*

## ***Buyer Beware...***

By Kit Pharo

I receive several mainstream beef publications. Although I seldom find much worth reading, I like to thumb through them to keep up on what members of the status quo herd are thinking and doing. This can be entertaining, as well as a great source for things to write about in our weekly emails and Newsletters.

**This time of year...** there are hundreds of ads for bull sales. I scan through as many as I can to see what gimmicks are being used to sell bulls. It doesn't take a genius to see that nearly all bull marketers continue to be focused on maximizing production per cow (bragging rights) — instead of production per acre (profit). As a result, they all have big (5 to 7-frame), high-maintenance cows that no longer fit any real-world ranch environment.

As expected, a few seedstock producers want to be all things to all people. They promote their bulls as being the best there is for growth (production per cow), as well as the best there is for producing efficient, moderate-sized momma cows (production per acre). That is an impossibility! You cannot be all things to all people! Buyer beware!

### ***Weekly Emails...***

If you would like to receive our FREE weekly updates and/or devotions, send your request to [Bulls@PharoCattle.com](mailto:Bulls@PharoCattle.com).

## ***Held Captive...***

Elephants have been trained and used by humans for over 4000 years. How is it possible for a 180-pound man to restrain an 11,000-pound elephant with a piece of rope and a wooden stake?

When an elephant is very young, it is tethered to a stake driven deep into the ground. This stake was strong enough to hold the young elephant no matter how hard he tried to break free. After many unsuccessful attempts to escape, the young elephant eventually believes escape is impossible. This belief is carried into adulthood. When the elephant is full grown, it could easily break free from the stake — yet it never attempts to do so. This extremely powerful and intelligent creature is held captive by nothing more than its own thoughts and beliefs.

**Do you suppose** you and I might have a few preconceived thoughts or beliefs that are holding us back? Are we tethered to some outdated tradition or paradigm from which we could easily break free — *if we knew we could?*

*I am not ashamed of the gospel,  
because it is the power of God for the  
salvation of everyone who believes.*

Romans 1:16

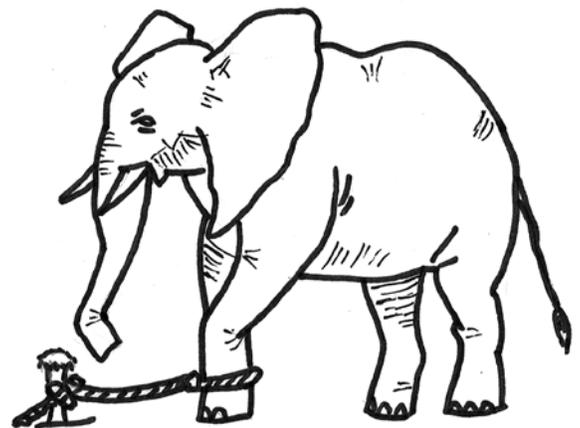
## ***Full Disclosure...***

By Kit Pharo

I'm sure this won't come as a surprise to anyone. The reason I am always promoting change and outside-the-box thinking is because I want to sell you a bull or two. The reason I send out weekly emails and publish quarterly newsletters is because I want to sell you a bull or two.

Although the above two statements are true, there's more to it than that. I want Pharo Cattle Company (PCC) to sell you and your family many bulls over the next 20 years. I want PCC to sell bulls to your grandkids and great grandkids for the next 100 years. This, however, will not happen unless PCC and your family ranch are still around 20 years from now — and 100 years from now.

Without change, most family farms and ranches will not be around 20 years from now. Our goal at Pharo Cattle Company is to help cow-calf producers make the transition from no-profit ranching to high-profit ranching. Once you see and understand what is possible, it's impossible not to share those possibilities with all who will listen.



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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  
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and/or an AI Sire Directory**



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