



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

Adapted Cows....

Adapted cows are those that have been genetically created to fit the environment they live in with minimum, or no, inputs. In other words, they are able to get by on what nature provides for them. Because of their ensuing low cost of production, adapted cows will always be substantially more profitable than their unadapted cousins.

Adapted cows have very low maintenance requirements — meaning it takes very little energy to sustain their basic needs. Because of their low maintenance requirements, you can stock at higher stocking rates, which will increase your pounds and profit per acre. Maintenance requirements *must* be met *before* any weight gain or reproduction can take place.

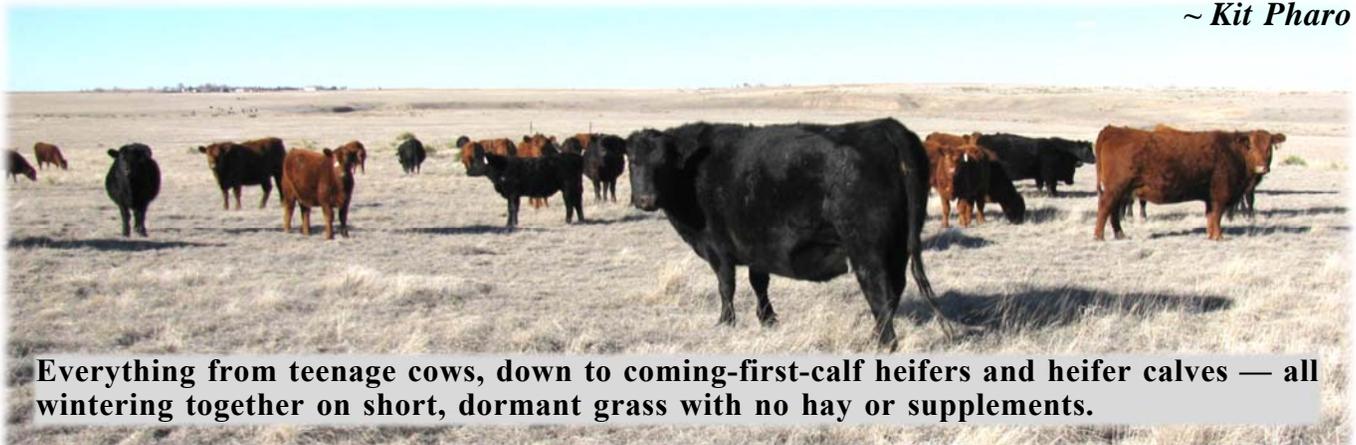
Very few farms and ranches have cows that truly fit their environment. For the past 40-plus years, cow-calf producers have been blindly chasing bigger and bigger weaning weights, without the least bit of concern for adaptability and profitability. While weaning weights have steadily increased, profits have steadily decreased. Many ranches that were put together and paid for with 350 to 400 pound calves are now struggling and going broke with 600 pound calves. It doesn't matter how big a calf is if it's not profitable.

Since most cow-calf producers do not have adapted cows, they have been forced to artificially change the environment (with expensive inputs) to fit their cows. That quickly takes most of the profit out of the cow-calf business. The cost of producing a calf continues to increase. According to the Livestock Marketing Information Center, the average cost of producing a calf has increased from \$384 in 2000 to \$883 in 2014. That is more than double in just 14 years. This trend will likely continue until we change the type of cows everyone has.

Producing adapted cows is really quite simple. First, it requires that you use bulls with low-input, adaptable genetics. Second, it requires that you make a few changes in your management philosophies. Instead of focusing on bigger and bigger weaning weights, you need to focus on increasing pounds and profit per acre. Thirdly, you need to gradually require your cows to produce and reproduce with fewer and fewer inputs. Cows that fail to breed back under these more demanding circumstances must be sold. This is referred to as “survival of the fittest.”

It all starts with your replacement heifers. Here at Pharo Cattle Company, we treat our heifers just like the cows we hope they will become. They receive very little in the way of extra feed or special care. If a heifer cannot make it under these conditions, we don't want her in the herd. Our philosophy is the total opposite of nearly all other seedstock producers. What kind of environment are most seedstock producers trying to adapt their cattle to? A pampered environment with feed trucks and unlimited feed. Will those genetics work for you?

~ Kit Pharo



Everything from teenage cows, down to coming-first-calf heifers and heifer calves — all wintering together on short, dormant grass with no hay or supplements.

*"Control your destiny,
or someone else will."*

~ Jack Welch ~

TWO Fall Bull Sales

*Valentine, NE — October 28th
Burlington, CO — November 6th*

- **350** 18-Month-Old Angus, Red Angus, Polled Hereford and Composite Bulls
- Ultra Low Maintenance
- Developed Naturally on Grass
- 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 Affordably 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.

Call or Email for a Free Subscription

"Your bulls have the ability to breed a large number of heifers in a short period of time. This has greatly improved my profitability. These five bulls bred 220 heifers in 42 days. All of the calves were born unassisted."

John Nino — California

Weekly Emails...

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

Bull Workdays...

We will be working our bulls in late August in preparation for our fall sales — and YOU ARE INVITED to join us. We will have one bull workday in Nebraska on Tuesday, August 22. We will have two workdays in Colorado on August 28-29. These workdays won't be anything fancy or formal. We just want to provide you with an opportunity to see what goes on at Pharo Cattle Company.

We will evaluate and score bulls for *fleshing ability, thickness, muscling, masculinity, disposition, hair coat, fly resistance and foot structure*. We will also score bulls for the absence/presence of *preputial prolapse* which seems to be a growing problem in polled bulls. No one else in this industry has even thought about evaluating and scoring bulls for the traits we evaluate and score.



We will also be *weighing, measuring and ultrasounding* the bulls as they go through the chute. You can jump in and help or you can stand back and watch. Once this information has been gathered, we will decide which bulls are good enough to make the sales and begin work on our sale catalog.

Details will be provided in our weekly PCC Update emails.

Q and A (reprinted from weekly email)...

By Kit Pharo

Question:

I've read your newsletters and weekly emails for quite some time, and I agree with most of your philosophies. However, I have never read anything about the feedlot performance of PCC genetics. Since half the offspring will be steers, could you please address this? – Darryl from Iowa



Low-maintenance genetics work great on the ranch. How do they work in the feedlot?

Answer:

Nearly all of a cow-calf producer's profit or loss is a result of what happens, or does not happen, within his or her fences (on the farm or ranch). That's the primary reason we don't spend much time discussing what happens beyond the ranch. Many cow-calf producers have increased their production and profit per acre by 100 to 400 percent. They may not have exactly what the sale barn guy, the feedlot guy or the packer guy say they want — but they are much more profitable than 99% of their neighbors will ever be.

PCC has been selling 900+ low-maintenance bulls every year for several years. If each of those bulls is mated to 30 to 60 cows every year for six years, there are a lot of PCC-sired calves being born. Where do the steer calves end up? Most of the PCC-sired steer calves go through the typical sale barn, feedlot and packing plant system. The fact that we have so many repeat customers tells me PCC-sired calves are not being discounted. Although these calves differ from status quo calves — they still fit the box.

What do custom feedlots get paid for? They sell feed and days. Therefore, they want to fill their pens with high-maintenance steers that eat a lot of feed and take a long time to finish. They do not want low-maintenance, PCC-type cattle that can finish with much less feed and days. As soon as a pen of low-maintenance steers are sent to the packing plant, the feedlot guy has to go to work to fill the vacancy. This is why he prefers status quo, high-maintenance steers.

Since you are from Iowa, you might find this interesting. Studies led by Iowa State University livestock economist John Lawrence show that low-maintenance cows produce calves that are more profitable in the feedlot. He said, *"The most profitable steers in the feedlot in a grid marketing situation came from lower maintenance, moderate-sized, lower-cost cows. It's not a conflict. The ones that are cheaper to feed at home produce more money on the other end. The opposite is also true. The higher-cost cows produce less profitable steers in the feedlot."*

To look for correlations between cow traits, steer performance and carcass traits, Lawrence looked at the cow feed costs for producers consigning steers to Iowa's Tri-County Steer Carcass Futurity. The steers were divided into two groups, based on the feed costs (maintenance requirements) of their dams. The average cow costs for the two groups differed by \$20 per cow. *"Interestingly, the low-cost cow group had the higher feedlot return,"* reports Lawrence. *"The average feedlot returns for steers from these cow groups differed by \$6.50 to nearly \$9 per head, depending on the Choice-Select spread."* The greater the Choice-Select spread, the more profitable the low-maintenance steers will be.

Low-maintenance cattle do not need to eat as much as high-maintenance cattle to meet their maintenance requirements — on the range and in the feedlot. Keep in mind that absolutely *no* weight gain can take place until maintenance requirements have been met. Once maintenance requirements have been met, the animal is able to grow, marble and finish. It is all about the bottom line! Nothing else matters. Many PCC customers are finishing their low-maintenance cattle to a choice grade on grass. While the demand for conventional beef has been struggling, the demand for grass-finished beef has been increasing by leaps and bounds.

We still believe... most cow-calf producers have the ability to double their profit per acre on a sustainable basis — once they stop focusing on the wrong things. Several PCC customers have proven this to be true. The opportunity to double your profit per acre, however, has nothing to do with what happens in the feedlot. It has everything to do with what kind of cows you have and how you manage your forage resources. What can you do to make the most of every ray of sunshine and drop of rain that falls on the land you control?

Genetic Fly Resistance...



No one else in the beef industry has even thought about selecting cattle for genetic fly resistance. Pharo Cattle Company has been doing it for over 10 years. While other seedstock producers continue to treat the symptoms with toxic chemical insecticides, we are solving the problem.

All of the bulls selling in our two fall bull sales will be evaluated and scored for genetic fly resistance. Since the heritability of fly resistance is very high, this is something you can improve dramatically in a short period of time, if you choose to do so. We invite you to come to one of our bull workdays to see how we evaluate and score bulls for fly resistance.

The Bankrupt Cow...

By Ron Torell (former Nevada Extension Specialist)

Living beyond one's means eventually leads to bankruptcy. Many young cows are destined to file for Chapter 11. Why? They were genetically bred to survive on a champagne and caviar diet but are forced to live on a greasewood flat. The end result is open or bankrupt cows.

EPDs have done an excellent job of identifying sires that excel in growth. However, there are no free rides in this world. This added growth comes at the expense of higher nutrient demanding cows. The universal advice seems to be “match the cow to the environment.” A balanced EPD package is always the most economical. Yet go to the bull sales and see what type of bulls bring the big bucks. The commercial cowman is sending a message to the registered producer that he wants the big growth numbers. He's willing to pay for growth and is not concerned with too much frame, growth or milk. Average is hard to sell at a bull sale.

Take a look at how the Angus bull EPDs for the various traits have changed since 1982 (Table 1). Data for other breeds shows similar trends. Milk has gone from a +0 in 1982 to a +24 in 2017. During that same time weaning weight EPDs have gone from a +5.0 to a +48 and yearling weight EPDs have moved from a +9 to +85. Is this progress or digression? It depends on if you are caught up in the big numbers trap and have cows going bankrupt.

Table 1

	<u>Milk</u>	<u>B.Wt.</u>	<u>W.Wt.</u>	<u>Y.Wt.</u>
1982	— + 0	+0.7	+ 5	+ 9
2017	— +24	+1.1	+48	+85
Change	— +24	+0.4	+43	+76

As Kit Pharo has said, “Milk is not a maternal trait. It is a growth trait.” In fact, milk is the highest nutrient demanding growth trait there is. The cow requires energy and protein to produce milk. The higher the milking ability, the more energy and protein the cow is going to have to find. If high energy and protein feeds are not available in sufficient quantities to meet her demands, the demands will be met at the expense of body condition and reproduction.

Ask yourself, “Have the feed resources on my ranch changed to compensate for my cattle's increased nutrient requirements brought on by genetic selection?” The answer is probably “no”. Perhaps your supplementation and inputs have increased to fill the void, or perhaps you have changed your management such as weaning early to preserve body condition. However, if you've not made any adjustments, you are probably experiencing a large number of bankrupt or open cows. Granted, there may be a few ranches that can support these high nutrient-demanding cows. Are you sure you are one of them?

Most of the blame has to be put on the registered breeders. Very few registered cows have to make a living under the same conditions as commercial cows. Yes, most registered cows get champagne and caviar.

Perhaps you should reevaluate your EPD criteria and truly match your cows to their environment. Your future might very well depend on it. Bragging rights have bankrupted a lot of ranches. Don't let it happen to you.

Do You Have High-Maintenance Ladies on Your Ranch?

Believe it or not, the odds of finding high-maintenance ladies on most ranches is near 100%. That's right! No, not the kind of high-maintenance ladies you are probably thinking of. As a result of 40+ years of relentless selection for more growth and more milk, most of today's cowherds are comprised of high-maintenance cows (ladies).

Unlike the status quo seedstock producers, Pharo Cattle Company has been selecting and breeding for efficient, easy-fleshing, low-maintenance cattle for over 30 years. We have the genetics you will need to increase pounds and profit per acre. No one sells as many ultra-low-maintenance bulls as we do. To request a catalog for our two fall bull sales, call **800-311-0995**.



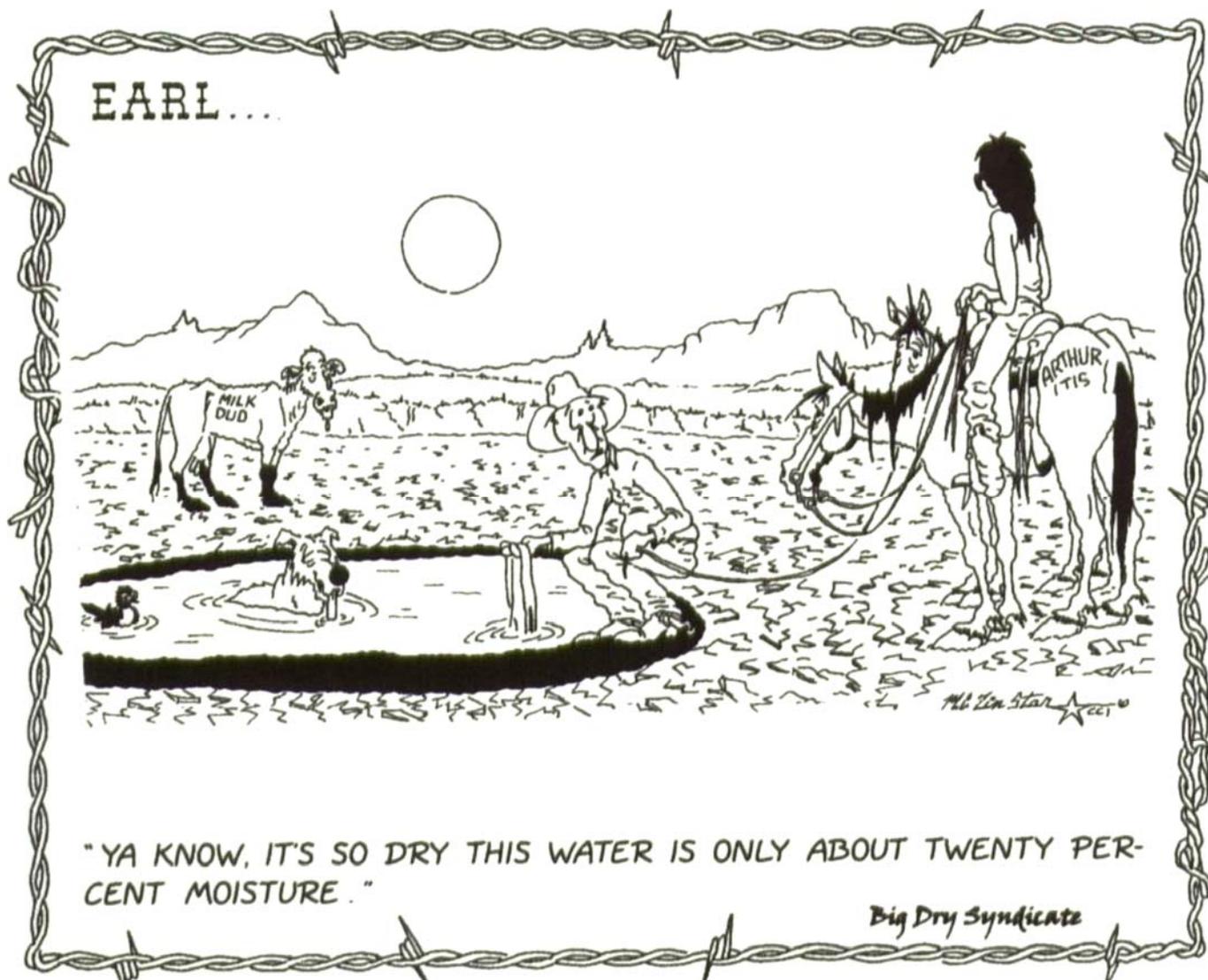
2017 AI Sire Directory...

There are **60** top-sort bulls to choose from in this year's lineup — including 10 new bulls. Most of these bulls are Angus and Red Angus — but we also have some Lowline, Polled Hereford, Tarentaise, Composite and Mashona bulls.

Call or email to request our 2017 AI Sire Directory.

"We have purchased 55 grass-developed PCC bulls over the years, and none of them lost weight or condition during their first breeding season. They stay fat year-round."

Grover Thompson — Nebraska



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Dare to be a Herd Quitter

Cowboy Logic: "If you're thinking like everyone else, you're not thinking."

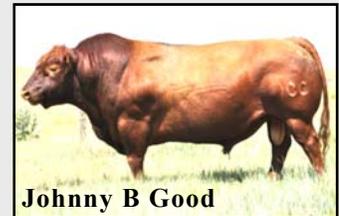
PHARO CATTLE COMPANY

Efficient, Easy-Fleshing,
Moderate-Sized, Low-Input,
Grass-Based Genetics

— with Calving Ease —



Sneaky Pete



Johnny B Good



Herd Quitter



Pledge



DPR

**Call or Email to receive a catalog
for our two Fall Bull Sales
and/or an AI Sire Directory**



Beral

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