

PHARO CATTLE COMPANY

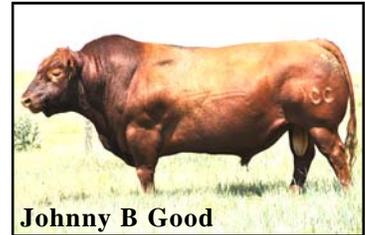
CHEYENNE WELLS, COLORADO PHONE 1-800-311-0995

Helping you is our business — and we take it very seriously.



We are Your Source for:

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 Fall Bull Sales

1-800-311-0995

Bulls@PharoCattle.com



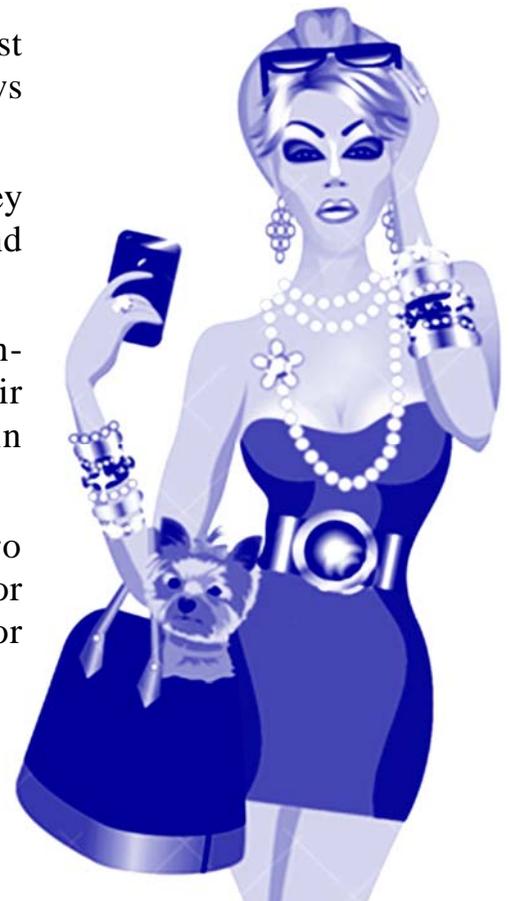
Do you have...
High-Maintenance Ladies on
your ranch?



Believe it or not...
the odds of finding some high-maintenance ladies on your ranch are near 100%.

Most cowherds are comprised of high-maintenance cows.

- ◆ The North American beef industry has spent the past 40 years moving away from efficient, low-input cows that could thrive on a year-round, all-grass diet.
- ◆ Consequently, today's cows are less profitable. They require more acres of land, as well as more feed and other expensive inputs.
- ◆ Profit is hindered even more by the fact that high-maintenance cattle must eat more just to meet their maintenance requirements *before* any weight gain or reproduction can take place.
- ◆ Unlike the status quo seedstock producers, Pharo Cattle Company has been selecting and breeding for efficient, easy-fleshing, low-maintenance cattle for nearly 30 years.



**Your Ranch
is NOT the place for
High-Maintenance Ladies**

*Great minds discuss ideas.
Average minds discuss events.
Small minds discuss other people.*

TWO Fall Bull Sales

Zanesville, OH — Saturday, Nov. 1st

Burlington, CO — Monday, Nov. 10th

- ◆ Coming-Two-Year-Old Bulls
- ◆ Low-Input Bulls — Developed on Grass
- ◆ Fleshing Ability is Bred In — NOT Fed In
- ◆ Evaluated and Scored for Disposition
- ◆ Evaluated and Scored for Fly Resistance
- ◆ Guaranteed Calving Ease
- ◆ FREE and Very Afford-a-BULL Delivery

Call or Email to receive a Sale Catalog

THE PHARO CATTLE COMPANY NEWSLETTER

Published four times per year by:

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Cheyenne Wells, CO 80810**

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

Call or Email for a Free Subscription

Eastern Bull Sale...

We are happy to announce that our first-ever Eastern Bull Sale will take place at Muskingum Livestock Auction in Zanesville, Ohio, on November 1st. This will be the first PCC bull sale to take place east of Missouri.

We have sold a substantial number of bulls in the East and Northeast for the past 12 years. We have been producing bulls in Ohio for the past five years. Until now, those bulls were hauled to Colorado to be developed and sold.

The Angus and Red Angus bulls that will be selling in our first-ever Eastern Bull Sale are being developed on grass in Ohio and will be sold at 18 to 20 months of age. If you would like to receive a catalog for this sale, call us at 1-800-311-0995.

We hope you will make plans to come see these bulls and their mommas on August 23rd, when we have our bull workday in Ohio. Rest assured that this program differs substantially from all the other seedstock programs in the East and Northeast.



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

Kit's Speaking Engagements...

- ◆ **August 23 — Cadiz, Ohio**
Phone 330-328-4470
- ◆ **August 29 — Waubun, Minnesota**
Phone 320-293-2995
- ◆ **September 10 — Amarillo, Texas**
Phone 806-468-8600 ext. 112
- ◆ **December 3-4 — Swift Current, SK**
Phone 306-296-7799

Whatcha Gonna Do...

...with All that Money?



There is no doubt about it... we are ranching in the very BEST of TIMES! A 500-pound steer is selling for a whopping \$500 MORE per head than he would have sold for just one year ago. That is an increase of 64% over the already high prices we were receiving last year. Unbelieva-BULL!

Cow-calf producers will have more disposable income for the next few years than ever before in my lifetime. Whatcha gonna do with all that money? I'm not going to tell you what to do with your money — but I would like to give you a few things to think about. We have all heard stories about people who won the lottery — but had nothing to show for it five years later. We don't want something similar happening to us.

I think it helps to think of your ranch and/or your business as a separate entity — something that can be passed from one generation to the next. While most producers spend nearly all of their time Working *In* The Business (WITB), a good manager will back up a couple of steps and spend sufficient time Working *On* The Business (WOTB). There is a BIG difference! Those who WITB seldom have much to pass on to the next generation — other than endless hard work.

In most cases, I suggest you pay off all existing debts. The Bible says, “The borrower is slave to the lender.” It is impossible to function at your very best when you are a slave to someone else. Being debt-free will liberate your mind and help you see opportunities that you could not see before. A debt-free business is also much more attractive to the next generation. If the next generation does not want your business, then your business is not sustainable.

Most farmers and ranchers have the tendency to spend money on vehicles and equipment to avoid paying taxes. I would much rather pay my taxes and save the remaining money for something that will have a return on investment. Vehicles and equipment will never have a return on investment. In addition to burning ever-increasing high-priced fuel, they depreciate. The minute you drive a new vehicle off the lot, its value decreases by several thousand dollars.

Don't make the wrong things too easy. I have seen many ranches invest in things that make the wrong things too easy. For example, if you make it easy to put up hay and/or to feed hay, you will eventually create a program that revolves around the feeding of hay. As the cost of land, fuel, equipment and labor continues to increase, your business will become less and less profitable — which will make it less and less sustainable.

Invest in infrastructure (fence and water) and education that will make it possible for you to increase grass and beef production by 50 to over 200 percent. Invest in bulls with low-maintenance genetics. Low-maintenance cows will always produce more pounds and more profit per acre than high-maintenance cows. The money you invest in things like this will provide HUGE returns on your investment every year for many, many years.

Whatcha gonna do with all that money? In finding ways to spend all the money that will be coming your way, your goal should be to create a very profitable, enjoyable and sustainable business — one that the next generation will be anxious to take over. Such a business will also provide a very good retirement income for you. All cow-calf producers have an opportunity to create a very profitable, enjoyable and sustainable business — but most won't. I hope you will make the most of this once-in-a-lifetime opportunity — and so do your kids and grandkids.



The decision-making test that will almost always be my make-it or break-it test involves sustainability. Is what I am considering going to be sustainable? Will it be sustainable when the price of fuel doubles? Will it be sustainable when the price of fuel goes up ten times? If you don't think this is possible, then you're not paying attention. Gasoline prices have increased 800% in the last 40 years. They have doubled in the last 10 years.

God's Blanket of Peace...

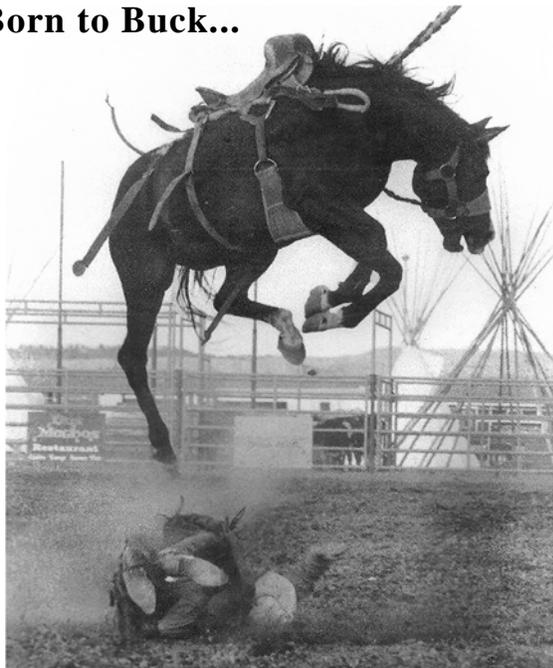
Do not be anxious about anything, but in every situation, by prayer and petition, with thanksgiving, present your requests to God. And the peace of God, which transcends all understanding, will guard your hearts and your minds in Christ Jesus.

(Philippians 4:6-7)

"The thing that sold me was the PCC bulls were in the absolute best flesh of all 50 bulls in the group."

Mat Carter — Oregon

Born to Buck...



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 Ohio on Saturday, August 23. We will have three workdays in Colorado on August 26 - 28. These workdays won't be anything fancy or formal. We just want to provide you with an opportunity 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, disposition, hair coat* and *fly resistance*. We will also be *weighing, measuring* and *ultrasounding* the bulls. 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. Details will be provided in PCC Update emails.

NOTE: We will have a *Herd Quitter* meeting soon after we work the bulls in Ohio. This meeting will feature Kit Pharo and James Coffelt.

"I couldn't agree with you more about PCC bulls breeding more cows for more years than other bulls. I put my two PCC bulls out with 60 to 70 head of cows each and they did great."

Delvin LaDuke — North Dakota

Getting Your Money's Worth...

Bull prices have been higher this year than ever before — and I don't think this will change for a few years. Most reputation seedstock programs have been averaging in the \$5000 to \$7000 range. I have heard of a few high-input programs averaging well over \$8000 per bull. I don't know why anyone would pay that much for a bull that is guaranteed to fall apart. Considering that cattle prices are higher than ever before, it should not surprise us that bull prices are high.

More than ever... it is critical that you get your money's worth when buying bulls. In addition to buying bulls that will move your program in the right direction, it is important to buy bulls that won't melt and fall apart when you take them home. Bulls that can maintain or gain weight during their first breeding season will be able to service more cows. Consequently, you won't need as many bulls. We also suggest you buy bulls that have been bred, selected and developed for longevity. A bull that can breed more cows for more years than the average bull will probably be worth a whole lot more than you will ever have to pay for him.

Fly Resistance...

I'm hearing a lot of talk about fly control. When confronted with a problem, most producers are quick to spend an inordinate amount of time, energy and money treating the symptoms — while they totally ignore the problem. Folks, if we never work at solving the problem, we will never get rid of the problem — and the problem will continue to get worse.

I maintain that many of the problems we encounter in the cow-calf business have a genetic factor. Genetic selection, though quite slow, can provide a long-term solution to many of our problems. Horn flies are no exception. It doesn't take a genius to see that some cows in any cowherd have a fraction of the flies that other cows have. These are the cows with a genetic resistance to the horn fly.

Dayton Steelman, a retired entomologist from the University of Arkansas, believes the heritability for fly resistance is 58% — which is very high. With this in mind, fly resistance is a trait *all* seedstock producers should be monitoring and selecting for. Research has shown that horn flies can reduce daily gains by as much as ½ pound per day. That could amount to 50 to 100 pounds per calf at weaning. **Do the math!** At just \$2.00 per pound, what's a bull worth that can genetically improve the fly resistance of your herd?

I don't know of any other seedstock producers who evaluate and score their cattle for genetic fly resistance. Most use chemical insecticides to cover up inferior genetics. How is that going to help anyone? The end result of using chemical insecticides is the creation of *superior flies* — and *inferior cows*. Chemical insecticides are also responsible for killing a multitude of *good* bugs and organisms. Dung beetles, for example, are nearly extinct on most farms and ranches.



Pharo Cattle Company continues to be different for all the right reasons. We are actively selecting for genetic resistance to horn flies and other parasite problems. This will be the seventh year that we have individually evaluated and scored our grass-developed bulls for fly resistance. We are confident that the entire beef industry will eventually benefit from our endeavors.

I ALWAYS mean
what I say...

I may not always mean
to say it out loud,
but I ALWAYS mean it.

Working Girls...

Not all cows are created equal. Some are able to do a whole lot more with a minimum amount of forage resources. This was made very evident to those who experienced severe drought conditions in recent years.

No one sells as many low-maintenance bulls as Pharo Cattle Company. For nearly three decades, we have bred and selected for cattle that can do the most for the least — in many different environments. We have cooperative herds in 12 different states.



Many PCC customers have told us that they get as much or more growth from our so-called “low-growth” bulls as they did from the 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 growth, milk and size without reducing stocking rates and/or increasing supplemental feeding. Research has shown that in an un-pampered ranch environment, high-maintenance cows will actually wean smaller calves than smaller, more efficient cows.