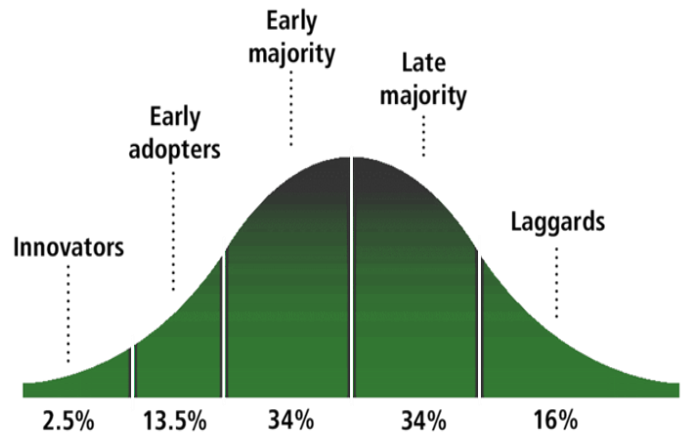




Our customers are the most profitable cow-calf producers in the world.

Early Adopters...

Change is one of the few constants in life and business. In other words, change occurs on a continuous basis. Because change often takes place at an imperceptible rate, many are unable to see what's going on until it is too late. Those who are able to see what's going on and are the quickest to adapt will always have a huge competitive advantage — no matter what the business. Those who are the slowest to adapt will always be struggling to stay in business.



In a book published in 1962, Everett M. Rogers presented the above graph and shared his theory of adaptation and adoption. Most of today's businesses believe this theory is still very relevant. The process of accepting change is illustrated as a classic bell curve. The first ones to accept change are the visionaries and innovators. They are followed by the early adopters. Next come the early majority, followed by the late majority. The last group to consider change will be the laggards. This group is so far behind, it won't matter if they change or not.

As you know, the beef industry is not the same today as it was 50 years ago. The existing beef industry is a result of a time when land was unbelievably cheap. It is also a result of cheap feed and cheap fuel. Labor was cheap, and equipment was cheap. The status quo way of doing things made sense 50 years ago. Unfortunately, that era is over — and it isn't coming back. In the last 50 years, the cost of inputs has risen four times faster than cattle prices. As time moves on, more and more producers will fail to have enough income to cover their expenses.

If you are a cow-calf producer, your survival will be dependent upon your ability to change with the times. The sooner you change, the better. A few futuristic innovators started making major changes in their programs 30 years ago. For twenty years, their neighbors thought they were crazy. These were the original Herd Quitters. From my perspective, the early adopters started coming on the scene 10 years ago. Fortunately, we are still in the early adopter stage. Change comes mighty slowly in agriculture.

The early adopters are transitioning from high-input agriculture that was focused on increasing pounds per animal to ultra-low-input agriculture that is focused on increasing pounds per acre. There's a BIG difference! The early adopters are transitioning from a business based on fossil fuel energy to a business based on free solar energy. They have increased stocking rates by over 30% with the right size and type of cows. Many use rotational grazing to increase forage production and stocking rates by another 50 to 200 percent. The early adopters are two to five times more profitable than their neighbors.

There is reason to believe the early majority movement is just around the corner. Economics are forcing more and more cow-calf producers to make changes in their operation. In many cases, the only other option is to go out of business. Most of the failing farms and ranches will be purchased by the early adopters. There have always been huge benefits to being early to make necessary changes. There will always be consequences for being late. By the time the late majority decides it is time to change, the innovators and a few of the early adopters will already be on to the next major change.

"Your life does not get better by chance. It gets better by change."

~ Jim Rohn ~

THREE Spring Bull Sales

Springfield, MO — April 2nd

West, TX — April 6th

Burlington, CO — April 20th

- Over **500** 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
- Over 50 FREE and Very Afford-a-BULL Delivery Points

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 **338** ultra-low-maintenance, grass-developed bulls in our two fall bull sales (Colorado and Nebraska). These bulls averaged \$5100 — with a range of \$2000 to \$15,500. As expected, our customers were willing to pay a premium for disposition, calving ease and fleshing ability.

We sold and delivered bulls into 27 different states. We also sold bulls to customers in Canada and Mexico. A whopping 40% of the bulls were purchased by Stay-at-Home bidders. With our unique Quick Sort program, bull videos and bull delivery service, we make it easy for our customers to purchase bulls without leaving home.

Worldwide demand for our unique Solar Bulls continues to increase at an unprecedented rate. Forward-thinking producers know the future belongs to those who are able to successfully transition to a low-input (high-profit) program with efficient, low-maintenance cows that can increase pounds and profit per acre in nearly all environments.



It Doesn't Always Pay...

It doesn't always pay to be an innovator or early adopter (see front-page article). In the early 1600s, Galileo was convicted of heresy for stating the sun — not the earth — was the center of the universe.

In those times, heresy was a crime punishable by death. To avoid death, Galileo agreed not to teach this heresy and to spend the rest of his life under house arrest. It took more than 300 years for the church to admit Galileo was right and to clear his name of heresy.

Testimony of a Young, First-Generation Rancher...

By Sean Weinert — North Dakota

Kit and Company,

Kat and I recently received an award from a local farm/ranch organization. It was called the Young Producer of the Year award. We were very honored to have a group of local producers recognize us for what we have been able to achieve in our short ranching career.

However, I was very disappointed in the overall negative tone of the rest of the meeting. There seemed to be no hope for anyone in production agriculture. Ever since we began our journey, we have heard that it is impossible to get into farming and ranching unless you are born into it or have a spouse that was. We continue to hear this message, along with a new one. **THERE IS NO MONEY IN AGRICULTURE!**

These negative messages are like a disease that if repeated often enough, will mentally disable most people in production agriculture. Buck Brannaman once said, "If all you are thinking about is your horse bucking you off, it will become a self-fulfilling prophecy." I think the same holds true in business. If we only focus on the negative, we will only see the negative. Money may be tight in agriculture — but that does not mean success is impossible.

When I graduated from college in 2009, I had dreams of owning my own ranch someday. I didn't know what it would look like or how this dream would be accomplished. I seldom told anyone about my ambitions because when I did, I was told that I wasn't born into that life, what did I know about ranching, I could never afford to get into that business — and this was from those I felt close enough to that I could share my dream.

In the fall of 2009, while working for another rancher, Kat and I attended our first PCC bull sale. I was blown away by the open sharing of ideas and the outside-the-box thinking. Most importantly, you believed there was a way to make a good living in the cow-calf business. Your program and philosophies are very different from what they taught in college. Pharo Cattle Company has shown me that through the right genetics, proper grass management and working with nature, a decent profit can still to be made in this business.

As a first-generation rancher, I want to thank you and the entire PCC organization for the positive encouragement and reinforcement we have received. Because of PCC's positive messages, we have been able to accomplish many things that everyone else said would be impossible to accomplish. Thanks for everything!

NOTE: We shared Sean's testimony in a weekly email two months ago. We were happily surprised by the response. We received similar emails from other young producers who are connected with the PCC program. Our message has always been very positive for those who are willing to change with the times. As you might expect, this is easiest for first-generation ranchers because they are not hindered by outdated family traditions.

With the Next Generation in Mind...

Creating a future for the next generation may be our most important responsibility. This is especially true for rural families who make their living off the land. Every generation plays a part in the success or failure of the family business. The decisions you make, or don't make, could have a very profound effect on the future of your family farm or ranch.

As manager of your farm or ranch, it is your responsibility to make decisions with the next generation in mind. You need to create a very profitable and enjoyable business that the next generation will be anxious and excited to become a part of. Pharo Cattle Company would like to help you in this endeavor.



Afforda-BULL...

Nearly 30% of the bulls in our fall bull sales could have been purchased for \$3500 or less. We think that is very affordable — especially when you consider our bulls can breed *more cows for more years* than bulls coming out of other programs.

No matter what your budget is, you will get *MORE* than your money's worth when you purchase PCC Solar Bulls — and they come with a **One-Year-Guarantee**.



Basic Truth...

The earth is the Lord's, and everything in it — the world, and all who live in it.

Psalm 24:1

This is a basic truth we often forget and/or overlook. The universe and everything in it were created by God — for God. We are only stewards of what God has entrusted to us. Until we understand this basic concept, we will never be able to fully comprehend all the great things God has in store for us.

www.PharoCattle.com

Are You Looking Forward to 2020?

Are you looking forward to the new year? We are — and we think you should be too! However, we are among very few people in production agriculture who have a positive view of the future.

For the last month or so, nearly everything you heard or read about the past year in agriculture was negative. Here are a few excerpts from some of the articles I read.

- *2019 was rocky at best, and a wreck at worst for those of us in agriculture.*
- *There are years in production agriculture where all the chips fall into place, and 2019 was not one of those years.*
- *We sold calves at the sale barn last week, and the mood was very somber. Prices were down and spirits were down. I overheard many conversations of ranchers commiserating about what a tough year 2019 has been.*
- *These are challenging times for beef producers. Ranching is a great way to raise a family. I would like to see my children be able to carry on this way of life.*

It is rare to find anyone who thinks 2020 will be better than 2019. Everyone hopes it will be better, but most are not counting on it. So what's the problem? Why are most producers negative about the future? We think it is because they continue to focus on the wrong things, and refuse to change what needs to be changed.

I know many cow-calf producers who were very profitable in 2019. I expect them to be even more profitable in 2020. While most of their neighbors are whining, complaining and blaming, these producers remain focused on the things they can control — and they continue to make the necessary changes in their operations to keep up with the future. They know nothing stays the same. The present is different from the past and the future will be different from the present.

These are challenging times — but only for those who refuse to admit the beef industry is not the same today as it was ten years ago. These are challenging times for those who refuse to change what needs to be changed. However, for those who are not afraid to think for themselves, the doors of opportunity have been thrown wide open. The next ten years will be remembered as the best of times for some — and the worst of times for others.

As we begin the new year, I encourage you to take control of your future. I encourage you to create the future of your dreams. It is up to you! Keep in mind, though, opportunities to advance will only come to those who create them. They will come by choice — *NOT* by chance or luck! If you continue to do what you have always done, you will continue to receive what you have always received. Advancement requires change!

Weekly Emails...

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

Increase in Bankruptcies...

There has been a significant increase in farm loan delinquencies and bankruptcies. That shouldn't surprise anyone. For the average producer, farm and ranch income has been relatively low for the last few years. Rather than make the necessary changes in their operations, some producers are increasing their debt level to stay in business. Increasing debt is a temporary solution that almost never works in the long run.

We believe the future looks very bright for those who are willing to change with the times. In fact, we believe, there will be more opportunities to advance in the next 10 years than there have been in the last 30 years. People who have an open mind will continue to learn. Therefore, they will find it easy to make the necessary changes in their operation. In contrast, those who refuse to think outside the box they have put themselves in will not be able to keep up with the future.

Be All You Can Be....

The biggest limitation to being all we *can* be is being all we *want* to be. As silly as it sounds, most people from all walks of life don't want to be all they can be — because it will require change of some sort.

We are saddened by the fact that most cow-calf producers seem to be satisfied with being average. Average is not profitable or enjoyable. Average is not sustainable. Average never leaves much for the next generation. Average, however, does not require much in the way of change.

Pharo Cattle Company wants to help you be all you can be. We want to help you put more fun and profit into your business. We want to help you enjoy life to the fullest. We want to help you create a business that will support the next generation.

"One reason people resist change is because they focus on what they have to give up instead of on what they have to gain."

~ Rick Godwin ~

Good Old Grandma Cows...

While the most prominent seedstock producers are flushing young cows with extreme EPD numbers to young bulls with extreme EPD numbers, Pharo Cattle Company maintains its focus on the good old grandma cows. These good old grandma cows have proven their genetic value. There are very few unknown variables to contend with. The older they are, the better.

When you consider the virtues of longevity, fertility will always be at the top of the list. In an unpampered, ultra-low-input system like ours, only the most adapted and fertile cows are capable of breeding back every year. Many cows fall out of the herd before they are four years old. We don't pamper our heifers and young cows like most producers do, because that would cover up their genetic faults and weaknesses.

Another virtue of longevity is structural soundness. A cow will never become a good old grandma cow if she has bad feet or legs. She needs to be able to get out and hustle for a living. Likewise, a cow must have an udder that holds its shape and remains functional year after year after year. Poor udders have become a major problem on most ranches.

Good disposition is another virtue of longevity. Cows with poor dispositions usually get culled before they become good old grandma cows. Superb mothering ability is also a trait commonly found in older cows. A cow must be willing to do whatever it takes to bring a calf to the weaning pen every year. If a cow doesn't wean a calf, she should be sold with the opens.

In an unpampered ranch environment where cows are required to graze year-round for a living, good old grandma cows precisely define what we should be selecting for. They are the correct size and type. They have the correct amount of milk and growth. They may seem somewhat average in appearance, but they are right as right can be. They have survived the test of time.

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Cowboy Logic: "I used to be indecisive; now I'm not sure."

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

— with Calving Ease —



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