



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

Change the Cow... Not the Environment —

Cows must fit their environment to stay in production for over 10 years. There are two ways to make this happen. You can artificially change the environment, with expensive inputs, to fit the cow — or you can genetically change the cow to fit her environment.

Most cow-calf producers have been trying to change the cow's environment for the last four decades. That's what all the so-called "experts" have told them to do. That, however, has proven to be very costly — and it is becoming more and more costly every year. Many of today's cow-calf producers don't even remember when cows were required to make their own living. It's no wonder most producers are struggling to make a decent living.



Common sense tells us it is much more profitable and sustainable to produce cows that fit the environment than it is to artificially change the environment to fit the cows. Your environment can only support so much size, growth and milk. Once you go beyond that point, you will have to reduce stocking rates and/or use expensive inputs to artificially change your environment. That may appear to work when calf prices are ridiculously high — but it won't work the other 95 percent of the time.

It doesn't take a genius to see that nearly all purebred operations have spent the last 50 years focused on increasing production per cow (bragging rights) — instead of production per acre (profit). As a result, they have big (5 to 7-frame), high-milking cows that no longer fit any real-world ranch environment. The trouble with big, high-milking cows is they require a tremendous amount of feed just to meet their maintenance requirements (survival). Maintenance requirements *must* be met *before* any weight gain or reproduction can take place.

Unbeknownst to most cow-calf producers, the beef industry reached the point where there has been no significant increase in weaning weights since 2001. For the last 20 years, cow size has continued to increase — but weaning weights have leveled off. The environment is the limiting factor. The only way to make those big, high-maintenance cows produce bigger calves is to pour the feed to them. That is exactly what many purebred outfits are doing — but it's a surefire way for commercial producers to go broke. Contrary to what the mainstream beef industry continues to tell us, all attempts to increase production per cow will have a negative effect on profit.

***"A cow ought to be supporting the ranch — instead
of being supported by the ranch!" ~ Kit Pharo***

Who is working for who? The only cows that can effectively support the ranch are moderate-sized, low-maintenance cows that *fit their environment*. The only way to produce cows that fit their environment is to use bulls that were produced by moderate-sized, low-maintenance cows that fit their environment. Like begets like! As long as you continue to use bulls that were produced by high-maintenance, 5 to 7-frame cows that must be pampered to stay in production, you will *NEVER* produce cows that fit your environment.

"Plenty of people miss their share of happiness, not because they never found it — but because they didn't stop to enjoy it."

~ William Feather ~

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Springfield, MO — April 7th

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- 550 Solar Bulls — Angus, Red Angus, Polled Hereford and Heat-Tolerant Composite
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THE PHARO CATTLE COMPANY NEWSLETTER

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

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Never In Doubt —

By Kit Pharo

I don't know if I have ever been referred to as someone who has a way with people. I tend to be a little too abrupt and forthright. However, I hope a few who have known me the longest consider me to be somewhat of a people person.

It's not that I don't care. I do care immensely about the wellbeing of other people and their future. I have always had a passion to help farmers and ranchers be all they can be. I want to help them create a business the next generation will be excited to become a part of. That's what Pharo Cattle Company is all about!

One thing I've never been accused of is being wishy-washy. I may not always be right, but I'm never in doubt! Over the years, I have developed some strong opinions about many things — and I'm not bashful about sharing them. Unfortunately, this turns some people off. We have a few longtime customers who admit to being mad at me before they fully understood what I was saying.

***I may not always be right,
but I'm NEVER in doubt!***

People often ask me for my opinion on one thing or another. I am always happy to oblige. I guess I still have the touch, because I still upset a few of those people. If you ask me for my opinion, that's exactly what you will get — nothing more and nothing less. If you just want someone to agree with you, I suggest you call your mom.



Hair Shedding —

By Kit Pharo

Hair coat is the best indicator of animal health and well-being. A healthy beef animal will have a vibrant-looking hair coat – slick and shiny in the summer and cuddly-looking in the winter. In contrast, an unhealthy and/or unadapted animal will have a dull, dead-looking hair coat.

An animal's ability to shed off quickly and completely in the spring may be the most important trait to select for. The late Jan Bonsma said, *"In selecting livestock for functional efficiency there is no single factor which can give such positive results as early hair shedding. Animals can shed their hair early in the spring only if they are well adapted to their environment, in good nutritional status, and have the correct hormonal balance."*

If you live in a hot, humid environment, you can start evaluating animals for early shedding as early as March. Mid-May through early June is a good time to evaluate hair shedding in cooler environments. Many producers in northern climates mistakenly believe they don't need to select for hair coat. Animals that are best adapted to their environment will be the ones with the healthiest hair coat — no matter where they are located.

Since hair shedding is a moderate to highly heritable trait, we have been observing and scoring hair coat for most of the past 30 years. The fall of 2006, however, was the first time we put hair coat scores in our sale catalogs. A 5-star hair coat is as good as they get. It is so shiny you can almost see your reflection. A 3-star hair coat is about average. If you live in a hot, humid and/or fescue environment, you should sort for bulls with the best hair coats.

The pictures of the two Pharo bulls below were taken on the same ranch in early fall. The bull on the left has a very slick and shiny 5-star hair coat, while the bull on the right has a nice 4-star hair coat. He has a good hair coat — but not as good as the other bull's.



There is a variation in hair coat and shedding ability in all herds. However, there is much less variation in herds that have been bred and selected to fit the environment. The picture on the left below is a group of non-Pharo heifers. Their hair coats vary from 2-star to 5-star. The heifers on the right are Pharo-bred heifers in our Australia program. Even though this picture was taken during one of the worst droughts in history, very few heifers did not have a 5-star hair coat.



Final Thought on Hair Shedding: If you select your replacement females based on nothing but hair coat, you would probably do a better job than you are currently doing.

Self-Made Man —

Rural Americans have always been known for their rugged individualism. They tend to be very independent and self-reliant. It is not uncommon to hear someone described as a self-made man. Folks, there is no such thing as a self-made man or a self-made woman.

*Rich and poor have this in common:
The Lord is the maker of them all.*

Proverbs 22:2

God created each and every one of us. It is God who has blessed us with the things we have acquired, as well as with the things we have accomplished. If we take full credit for who we are and for what we have accomplished, we are only deceiving ourselves.

Inflation —

By Bobby Thoman

Just when cattle prices start to make a climb, so does everything else! Ranchers can't catch a break. If you haven't noticed, everything is going up. Some people want to know why, but most just want to know what they can do about it. Let's dig in.

Inflation is a progressive increase in the cost of goods and services. This happens all the time, but when it gets out of control it causes serious economic problems. Inflation, in our current situation, can be directly linked to the excess printing of money. Historically, the Federal Reserve would increase interest rates to get inflation under control (think 1980s).

Another way to control inflation is to slow the velocity of money. This is done by restricting the amount of goods or commodities that are available to purchase (i.e., shipping disruptions). If you can't purchase anything, there is no opportunity for excess money to enter the economy and drive prices up.

One way to deal with inflation is to buy your goods up front. Whether it's cows or groceries, it makes sense to buy early in a rising market. Another approach is to limit your costs. This is practical in any profitable business model. Maybe, consider skipping fertilizer this year. Look at alternatives like no till, cover crops and animal impact.

Livestock producers should look for ways to reduce hay feeding, calve in sync with nature, leave calves on the cows longer and limit inputs. Another obvious solution is to purchase efficient, low-input bulls. Basically, anything you can do to make your cows more efficient will help deter the effects of inflation. Limit your inputs; limit your costs.

Those with significant debt at variable rates will be hurt the most. I hate to say it, but it's only going to get worse. Goods and services are going to become more expensive and harder to find. Now is the time to start developing local relationships for the necessities. I believe some of the so-called "old ways" will come back. Things like using horses, bartering, producing and storing your own food, hunting and gardening may become necessary again.

My intent is not to cause panic, but to make people aware. We need to get back to being a community, where we work with and help our neighbors. There is nothing to fear if your faith is in the right place. Don't compromise your faith, because it is the only thing that can get you through times like this.

No Shortage —

As you study all the bull sale ads and catalogs, you'll notice there will be no shortage of fat, overfed, high-input Diesel Bulls to choose from this spring.

Most will be guaranteed to melt and fall apart when you take them home. Most will be guaranteed to produce late-maturing, hard-keeping replacement females — and most will cost much more than they are worth!

Call 800-311-0995
if you're looking for an alternative.



Stock Trailers —

By Rob Pierce

When I was in high school, I started a custom cattle hauling business with a 1-ton and a 6x24 stock trailer. People would call and ask, “*Rob, how many head can you haul?*” I would always hesitate to answer, thinking they would realize how silly their question was.

The number of animals I could haul was dependent on the size of the animals. My trailer was good for about 12,000 pounds. While I could haul 24 calves that weighed 500 pounds, I could only haul eight cows that weighed 1400 pounds.

I also noticed a load of smaller cattle was always worth more per pound than a load of bigger cattle when sent to market. Sometimes a lot more.

Fast forward... When I began leasing pastures, I would ask, “*How many cows will it run?*” More times than not, the landowner would not hesitate one bit before telling me how many cows it would run. I soon realized pastures are like stock trailers; they can only handle so many pounds!

Most of my neighbors like to question my smaller, more moderate-sized Pharo cows. When they ask my buddy G.W. about my smaller cows, G.W. will say, “*All I know is you can put a lot more in the trailer!*” I will always finish by saying, “*...and a lot more in the pasture!*”

Willingness to Change —

Whether you want to believe it or not, your long-term success in the cow-calf business will be dependent on your willingness to make some changes. Cattle prices will continue to go up and down, up and down — while the cost of inputs will continue to go up, up, up. 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. **Whatcha Gonna Do?**

Those who would like to increase their long-term, sustainable profit need to start thinking in terms of production and profit per acre — instead of per animal. They need to work with nature — instead of against nature. They need to implement proper grazing management to make the most of every ray of sunshine and drop of rain that falls on the land they control. They need to reduce and eliminate expenses. And... they need to produce cattle that fit their environment — instead of artificially changing the environment to fit their cattle.

Pharo Cattle Company has the low-input, grass-based genetics you will need to produce efficient, easy-fleshing, 3 to 4-frame cows that can increase pounds and profit per acre in nearly all environments. Our 3 to 4-frame cows weigh 1100 to 1250. In contrast, most seedstock producers have high-maintenance, 5 to 7-frame cows. Their bulls will continue to take you farther and farther in the wrong direction.

Pharo Cattle Australia —



We are excited to announce that we'll be hosting our 4th Annual Australia Bull Sale on **May 26th**. We will be selling over 100 grass-developed Solar Bulls in this sale.

The Driving Force —

The driving force behind our program is the desire to help cow-calf producers make their business as profitable, enjoyable and sustainable as possible. That's what gets us up in the morning and keeps us going. We have seen ordinary people accomplish extraordinary things! Once you see and understand what is possible, it's impossible not to share those possibilities with all who will listen.

In the 30-plus years Pharo Cattle Company has been in business, nothing has been more exciting and more rewarding than watching cow-calf producers turn the corner from just getting by to getting ahead. We've seen more producers turn this corner the past two years than we saw in the previous ten years. This is exciting!

Guaranteed Calving Ease...

Twenty years ago, we decided to guarantee the calving ease of our 5-star bulls. The skeptics said, “*You can't do that*” — but we did and we're still doing it.

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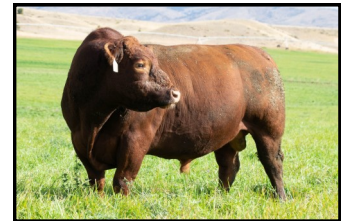
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*Cowboy Logic: "Real cowboys
don't take baths. They just dust off."*

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— with Calving Ease —



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