



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

Missed Opportunities —

By Kit Pharo

If I am totally honest with myself, I'm sure I could easily list over 100 opportunities I have missed out on. Fortunately, I think I could also list over 100 opportunities I took advantage of. Many of you could do the same thing. Since I have always heard there is nothing more expensive than a missed opportunity, I want to spend a little time discussing this.

First, let me ask if all opportunities are good. Probably not. For example, if I received a cash gift of \$50,000, the door to many opportunities would suddenly open up before me. The opportunity I choose will say a lot about who I am and where I am headed in life. If I really *want* a new pickup truck, it wouldn't take long for me to come to the conclusion that I *need* a new pickup truck — and now I have the opportunity to purchase that truck. However, if I spend the \$50,000 on a new pickup truck, I would miss out on many opportunities to create a better future for myself, my family and/or my business.

For this discussion, I am going to stay focused on the type of opportunities that will have long-term benefits to us, our family and/or our business. These are the opportunities we don't want to miss. As you may have guessed, I am not concerned about the perceived opportunities to satisfy our short-term *wants* and *cravings*. These are nothing but obstacles that prevent us from attaining the long-term success and happiness we are capable of attaining. I believe we all have several opportunities to better ourselves throughout a normal year. Most of those opportunities, unfortunately, end up being missed opportunities. Why is that?

There are four primary reasons people miss most of the opportunities that come their way. Different people have different reasons. Discovering what causes you to miss opportunities could be a life-changing event for you.

- ◆ Some people are oblivious to what is going on in the world around them. They spend more time planning their weekend than their lives.
- ◆ Most people are unable to see the opportunities that are hidden within nearly every one of their problems. They are so obsessed with the problem, they miss the opportunity.
- ◆ Some people can see the opportunities — but they are too lazy to take action. They prefer to do nothing rather than put forth the required effort to make things happen.
- ◆ Too many people can see the opportunities — but they are afraid to make any changes, even when they know those changes will be good for them. This is the biggest and most common reason people miss opportunities.

Don't worry about missed opportunities. You can't change the past. With that said, I have noticed that some missed opportunities will come back around. Some missed opportunities never left and are still sitting in front of you — waiting for you to take action. Become one of the few who make the most of the opportunities that come their way. Don't allow your fear of change to keep you from becoming all you can be. The reason some people are much happier and more successful than the general population is the fact that they are not afraid to change what needs to be changed in a timely fashion.



"Opportunities are like sunrises. If you wait too long, you miss them."

~ William Arthur Ward ~

THREE Spring Bull Sales

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

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Whatcha Gonna Do?



The leadoff article in our *Winter 2023 Newsletter* was entitled "Whatcha Gonna Do With All That Money?" This was in reference to the high cattle prices we have been blessed with. With cow numbers so low, many expect to see record-high calf prices this year. When this drought officially breaks, calf and replacement female prices will go through the stratosphere!

This period of high prices will provide the opportunity many cow-calf producers have been needing to change what needs to be changed in their operation. With the proper adjustments, they will remain profitable after prices drop. Without change, profit will be very elusive after prices drop.

Time is of the essence! This period of extremely high prices may not last more than three years. Act now — because making the needed changes will be extremely difficult after prices go back down. At that time, survival will take precedence over all else. If you are a cow-calf producer, this is an opportunity you DO NOT want to miss!

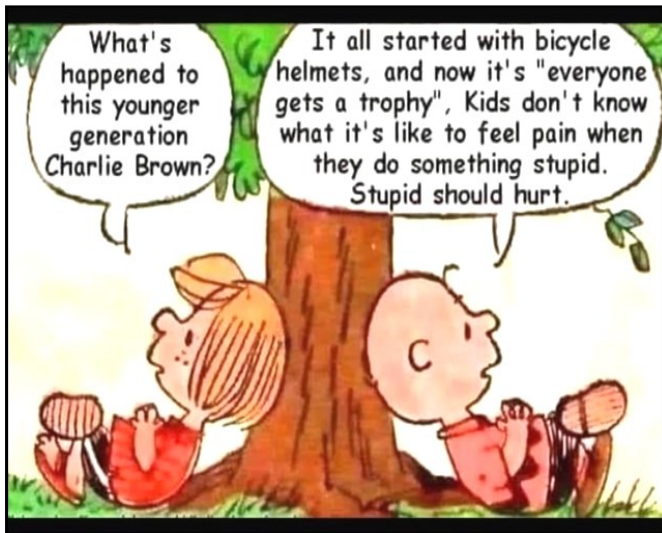
Lessons from 2014/2015 —

By Kit Pharo

When the drought broke in 2014, cattle prices nearly doubled in just a matter of weeks. Those were Great Times! Unfortunately, they were short-lived. When the current drought breaks, I believe we will be entering the Best of Times.

I saw hundreds of cow-calf producers change what needed to be changed in their operation during the 2014/2015 time period. They are currently among the most profitable cow-calf producers in the world! They created a business that will continue to be successful for generations to come.

Unfortunately... I watched thousands of cow-calf producers do very little to take advantage of the high prices during that time period. They spent much of their newfound wealth on vehicles and other things that have no real or lasting value. Consequently, they are struggling to make a decent living. Long-term success will always require change!



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

The Cost of Land —

By Kit Pharo

The value of all agricultural land in the United States averaged \$3,800 per acre in 2022. That is up \$420 per acre from 2021. The value of grazing land in the United States averaged \$1,650 per acre, which is up \$170 per acre from 2021. The value of grazing land has increased by nearly 50% in the last ten years. If it continues to increase at that rate, the average value of grazing land will be a whopping \$2500 per acre ten years from now.



In most places, the cost to buy or lease grazing land is very 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 time. If you are a cow-calf producer, this should concern you because your business is totally dependent upon having enough land to collect the solar energy required to produce a high-quality food product.

Never before has it been so important to maximize production *per acre*. Since the cost of land is rising, we need to increase what our land is producing. 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 your 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**. Most of today's cow-calf producers are struggling to make a decent living. This struggle will continue to increase as the cost of land continues to increase.

For over 30 years... Pharo Cattle Company has been the lone voice in the wilderness promoting production *per acre* — instead of *per cow*. The first step of our "Ten Steps To Maximize Profit" is to STOP focusing on increasing pounds per animal (bragging rights) — and START focusing on increasing pounds per acre (profit). If you don't already understand the difference between increasing production *per animal* and increasing production *per acre*, this will probably be the most difficult paradigm shift you have ever encountered — but it needs to be made.

Since they are not making any more land, it is imperative for us to make the most of every acre of land we control. I know many cow-calf producers who have been able to increase beef production per acre by 50 to well over 200 percent. It is possible — but you will need to step out of your comfort zone and STOP doing things the same way you have always done them.



As we have opportunity, let us do good to all people — especially to those who belong to the family of believers.

Galatians 6:10

Guaranteed Calving Ease...

Most of our bulls can safely be used on heifers. Many will be *guaranteed* for calving ease. Calving ease is extremely important to us because it is extremely important to our customers. Dead calves have distressingly low weaning weights.

First-Generation Rancher —

By Sean Weinert

Part 1: The Town Job

I grew up in a small town in an agricultural community — but my family was not involved in agriculture. Nevertheless, I always dreamed of owning a ranch.

So you know I haven't been living on a trust fund for the last twenty years, here is a list of jobs I have had: Marine, wildland fire fighter, retail worker, night shift security guard and grain buyer at a grain elevator.

I held my last job for eight years while building a ranch from scratch with three heifer calves. That little ranch grew into what has become my “fulltime” career – with 220 cows (and growing). Many of these cows are registered Pharo Cattle Company cows.

Working in town provided the capital required to start my ranching career. My wife and I made a commitment to live on \$2,000 a month and put the rest of our wages towards the ranch. If you don't have a definitive plan on how to invest your wages, you run the risk of getting off track and spending money on shiny things you don't really need.

My last year at the elevator, I made \$70,000. I also received a \$40,000 bonus. I had good insurance and a 401k. As you might expect, I had many sleepless and prayerful nights before finally making the decision to quit my town job. You must be very careful not to allow your town job to become a safety net you are unwilling to walk away from when the time comes.

The most important thing about having off-farm income is deciding what to do with it. Having a written plan and knowing what you want and where you want to be in five, ten and twenty years will help give you the discipline required to create a profitable ranch.

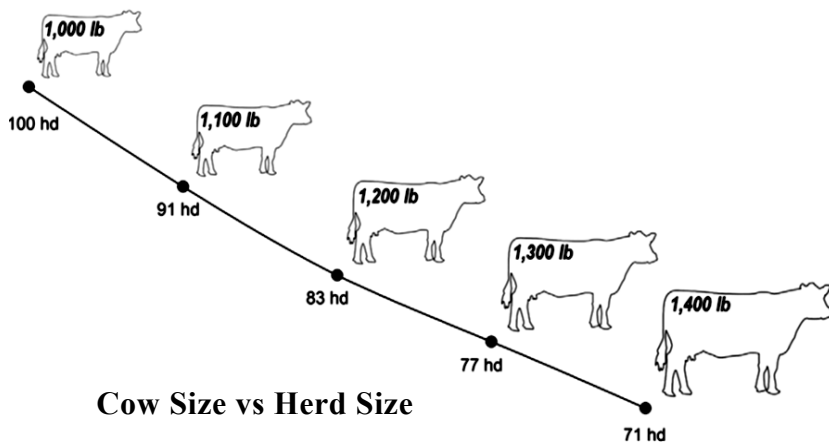
We used our off-farm income to purchase 320 acres and our homeplace. We also used this income to expand the cowherd. We were able to purchase a skid steer and a 20-year-old bale-bed pickup without incurring debt. Those two pieces of equipment allowed us to achieve some economy of scale.

Knowing how to be disciplined with our money took much of the stress off my shoulders when I was no longer receiving a monthly paycheck from my town job. We are now a family of six — and we still do our best to live on \$2,000 a month. (My wife thinks it is time to increase that figure.)

With a goal and some financial discipline, it is possible to build a profitable ranch business from scratch. It is okay to use income from a town job — as long as you are committed to making your town job temporary. Too many parttime ranchers are afraid to walk away from their off-farm income. Until they do, they will never be a fulltime rancher.

NOTE: This is the first of a series of “First-Generation Rancher” articles Sean will be writing. Future articles will appear in our weekly PCC Update emails. If you are not already receiving our weekly emails, send your email address to Tammy@PharoCattle.com.





Cow Size vs Herd Size

Worth the Wait —

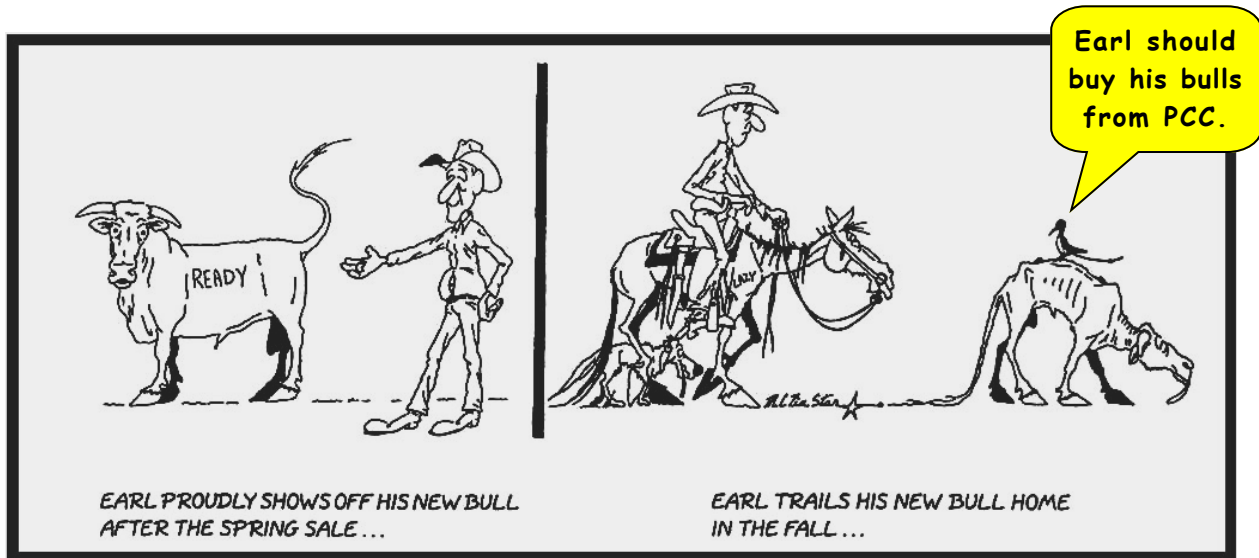
Our Spring Bull Sales will be among the last of the season — but we think they’ll be well worth the wait. Where else can you find such a large selection of Solar Bulls that were developed *without* grain?

Where else can you find bulls that were produced by easy-fleshing, low-input cows that have never been pampered? Where else can you find bulls that can reduce cow size and maintenance costs — without cheating you on pounds? Where else can you find bulls that are guaranteed for calving ease? Where else can you find bulls that can breed more cows for more years? Where else can you find bulls that were produced with your long-term profits in mind?

Stocking Rate —

Stocking rate affects profitability more than anything else. Because smaller cows wean a higher percent of their own weight, they will *always* produce more total pounds than bigger cows.

This is true, no matter how good or how bad your environment is — high rainfall or desert. You can no longer justify your 1400-pound cows.



First and Foremost —

When purchasing bulls, the most important factor to consider is the program behind the bulls. Bulls that are produced in a program that aligns with your long-term goals are worth a whole lot more than bulls coming out of a program that does not align with your long-term goals. This is so obvious it should go without saying.

However, I have visited with hundreds of cow-calf producers who say they want to produce efficient, 1100 to 1200-pound cows that can wean 50% of their own weight for many years without being pampered — only to find out they have been buying bulls that were produced by 1400 to 2000 pound cows that must be pampered to stay in production. How is that going to work?

Don't make this complicated... Decide where you want to take your program — and purchase bulls from a program that will take you there. Don't allow your judgement to be swayed by the wrong things. Pretty is as pretty does — and the proof is in the pudding!

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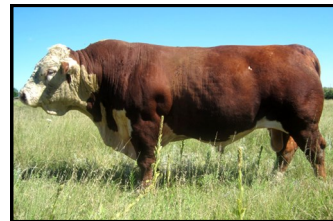
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Cowboy Logic: "Silence is often misinterpreted — but never misquoted."

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Efficient, Easy-Fleshing,
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— with Calving Ease —



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