



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

The Sooner The Better

By Kit Pharo

Cattle prices have never been this high since the beginning of time! WOW! Most cow-calf producers appear to have the world by the tail with a downhill pull! I don't want to be a killjoy — but I would like to offer a word of caution. Please do not allow these high prices to lure you into a false sense of security.



The cow-calf business is much different today than it was 20 years ago. It is much different today than it was just 10 years ago. Today's cost of inputs is at record-high levels — and I don't see any reason for that to change. When calf prices fall — and they will — most cow-calf producers will be underwater. Calves will be worth half what they are worth today — but the cost to produce a calf will continue to increase. If these producers don't significantly reduce their cost of production and increase their production per acre, they may not survive the fall in calf prices!

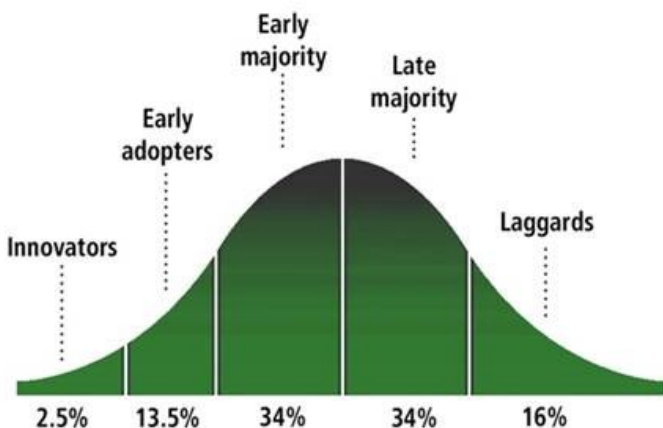
In a book published in 1962, Everett M. Rogers presented the graph below and shared his theory of adaptation and adoption. Most of today's businesses believe this theory is still very relevant. The process of accepting change is illustrated as a classic bell curve. The first ones to accept change are the 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. As always, the sooner change is accepted and implemented, the better.

Whether you realize it or not, the cow-calf business is at a major tipping point. What has worked so well for the last 10 to 20 years will not work for the next 10 to 20 years. Although the writing is on the wall, these record-high calf prices are preventing many cow-calf producers from reading it. They're living in La-La Land. Unfortunately, many family farms and ranches will not survive without substantial changes in their operation. Just as sad and unfortunate, a lot of those families will choose to get an off-farm job rather than change what needs to be changed.

You CAN change what needs to be changed! For the next generation's sake, don't take the lazy way out. Many producers have already made those changes. A few futuristic Innovators started making those changes 30 years ago. For 20 years, their neighbors thought they were certifiably crazy! Those were the original Herd Quitters. The Early Adopters started coming on the scene 15 to 20 years ago. Fortunately, the cow-calf industry is still in the latter stage of the Early Adopter phase. There's still time to get ahead of the Majority, which puts you ahead of the curve.

The Early Adopters are transitioning from high-input beef production that is focused on increasing pounds per cow to ultra-low-input beef production that is focused on increasing pounds per acre. The Early Adopters are reducing their cost of production by reducing their dependency on outside inputs. Pharo Cattle Company has the genetics and the philosophies you need to produce more for less!

There is compelling evidence the Early Majority movement is just around the corner. Economics will soon force more and more cow-calf producers to make the necessary changes, or go out of business. It will be difficult for the Late Majority to stay in business — and there's essentially no hope for the Laggards!



"Change before you have to."

~ Jack Welch ~

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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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Biggest and Best

There are 77 bulls to choose from in this year's AI Sire Directory. This represents the Biggest and Best selection of low-input, grass-based genetics in the world!

Most of these bulls are Angus and Red Angus — but we also have a nice selection of Polled Hereford, South Poll, Mashona and Composite bulls to choose from. Over 90% can be safely used on virgin heifers.

Call 800-311-0995
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Treating the Symptoms

Every summer, the hottest topic within the beef industry is Fly Control. Since flies have become resistant to nearly all of the toxic chemicals that were created to control them, fly problems have done nothing but get worse over the last 40 years. Every year, everyone is frantically looking for the latest toxic chemical to control their ever-increasing fly problems.

Why does the beef industry continue to treat the symptoms of the problem while it totally ignores the problem? We have been programmed by companies that sell inputs to treat the symptoms. If problems of this nature are ever solved, it would put several chemical companies out of business.



No one else in the seedstock industry has even thought about breeding and selecting cattle for genetic fly resistance. Pharo Cattle Company has been doing it for over two decades. In the last 18 years, we have evaluated and scored over 15,000 bulls for genetic fly resistance. While other seedstock producers continue to use toxic chemicals to cover up inferior genetics, we are helping you solve the problem.

How Many Cows?

How many cows can a bull breed? The drivel put out by the universities and status quo seedstock producers continues to say you should only put a bull with one female for every month of age the bull is — up to 30 cows.

That's probably all you can expect from an overfed, grain-developed Diesel Bull — but it doesn't have to be that way! Here at Pharo Cattle Company, we recommend you **DOUBLE** the status quo recommendations with our grass-developed Solar Bulls.

If you are not receiving our weekly emails, send us your email address

NO-Input Production

By Kit Pharo

Have you ever considered the possibility of being a no-input producer? I have. In fact, I have had several way-outside-the-box discussions about no-input farming and ranching — but only within the confines of producers who are bona fide Herd Quitters. This is not a subject that can be discussed in the presence of status quo producers.

My original reason for wanting to discuss no-input production was to hone my survival skills. Color me paranoid — but I can think of many catastrophic events that could quickly shut down the world as we know it. Just considering the possibility of being a no-input producer has opened up several doors of opportunity that I had never noticed before.

I like to play “What If?” games in my mind and with other Herd Quitters because doing so challenges and sharpens the mind. It also helps me to mentally prepare for potential situations that I have never had any prior experience with. For example, what if fossil fuel and electricity were no longer available? If so, that would quickly eliminate the lion's share of inputs on most farms and ranches. If you can come up with a workable plan to deal with that scenario, you have the potential to become a no-input producer.

Spicy Foods

Have you ever wondered why food around the world gets spicier the closer you get to the equator? For example, India, with one of the highest average temperatures, uses an average of nine spices per meat-based recipe while the typical Norwegian meat dish only calls for two spices.

A Cornell University study has proven that spices used in food preparation kill or inhibit dangerous food bacteria. Of the 30 spices tested, all had some effect against food bacteria. Garlic, onions, allspice and oregano killed 100% of the tested bacteria. Some spices work much better when used in combination than when used alone.

So, why does food get spicier the closer you get to the equator? Because food bacteria is a much bigger problem in hotter environments. Isn't it amazing how mankind has learned to deal with natural problems through the use of natural solutions. I suspect there are some common-sense, natural solutions to nearly all of today's perceived problems.

NO Fat Bulls...

NO Pampered Bulls...

NO High-Pressure

Are you tired of buying over-fed bulls from pampered seedstock herds at hyped-up, high-pressure auctions?

Our bulls are produced by some very efficient, moderate-sized cows that have never been pampered. Since they are developed slowly and naturally on grass, they will NOT melt and fall apart when you take them home.

These 18-month-old bulls will be sold in their work clothes at our unique, low-pressure Cowboy Auction. We hope you will make plans to participate in one of our four fall bull sales.



Our Herd Quitter Concept

By Kit Pharo

There are several thousand Herd Quitter caps and bumper stickers scattered around the world. We sponsor the Herd Quitter Podcast and the Herd Quitter Minute every week. It's no wonder we are often asked, "*What is a Herd Quitter?*" With that in mind, I thought I would share the story behind our Herd Quitter concept. This story also provides a concise history of Pharo Cattle Company (PCC).



From the inception of Pharo Cattle Company nearly 40 years ago, we have always been very different from the mainstream beef industry. In the mid-1980s, we realized the beef industry was headed in the wrong direction at a high rate of speed. While everyone else was focused on increasing the size of their cattle, we said, "*It doesn't matter how big your cattle are if they're not profitable.*" We decided to provide an alternative to the "bigger is better" way of thinking.

It wasn't difficult for cow-calf producers to increase the size of their cattle — but most failed to realize that as animal size increases, production per acre will decrease (think cattle, sheep and chickens). At that time, the land grant universities and seedstock producers were leading the way in promoting bigger cattle. Unfortunately, most of them continue to lead the industry in that direction. As the old saying goes, "*You can't teach an old dog new tricks.*"

Within 10 years, nearly all cow-calf producers had substantially bigger cows — and their cows have continued to get bigger ever since. Because bigger cows eat more than smaller cows, producers were forced to reduce their stocking rates (number of cows per acre) and increase supplemental feeding to keep their so-called "new and improved" bigger cows in production.

With the recent and unprecedented increase in the cost of inputs, most of today's "new and improved" big cows are struggling to produce enough income to cover their expenses — even with the record-high calf prices. I'm afraid things will get ugly in a hurry for many cow-calf producers when calf prices go back down!

Being different is never easy — but we knew, without a doubt, we were different for all the right reasons. Therefore, we persevered. Gradually, as time went on, more and more commercial cow-calf producers understood our philosophies and broke away from the status quo "bigger is better" way of thinking. We went from selling six bulls at our very first bull sale 34 years ago to selling over 1000 bulls every year.

We have cowherds from the winter wonderland of Minnesota to the sweltering gulf-coast states of Alabama and Mississippi. We have cowherds from fescue country in Missouri to the high-plains desert of western Kansas and eastern Colorado. We have cowherds from the southern plains of Texas to the northern plains of Nebraska, Wyoming, North Dakota and Montana. We also have cowherds on high-elevation ranches in Colorado and Wyoming.

We develop bulls on grass in five different states — and sell them in six different states. We currently have annual bull sales in Colorado, Texas, Missouri, Alabama, Nebraska and Montana. We have sold bulls to customers in all but six of the 50 states, including Hawaii. We have also sold bulls to customers in Australia, Canada and Mexico. We have proven that our philosophies and our genetics will increase bottom-line profit in all environments.

Since our program is substantially different from the status quo model of beef production, I started looking for a term that would describe our program. In 2008, I woke up in the middle of the night thinking, "*Herd Quitter.*" This perfectly described our program! From the very beginning, PCC had quit the status quo herd and taken a totally different approach to beef production. While everyone else was focused on increasing pounds per cow (bragging rights), we were focused on increasing pounds per acre (profit).

When I first shared my Herd Quitter idea, it was not well received by a few individuals within the PCC organization. Although everyone understood the message I was trying to convey, some were reluctant to be called a Herd Quitter. I wondered why. I soon realized most ranchers have experienced the frustrations of dealing with a herd-quitter cow. If you have ever owned cows, you probably know what I'm talking about.

— *Continued on Next Page* —

Herd Quitter Concept (continued)

Whenever you are gathering the cowherd, the herd- quitter cow is always looking for an opportunity to escape — usually at a high rate of speed. She will wear out a good saddle horse. I have dealt with several herd- quitter cows in my lifetime. If a herd- quitter cow suspects something is up, she will do everything she can to get away.

I want you to consider this... Within the entire cowherd, the herd- quitter cow is the only cow thinking for herself! For that reason, I have developed a tremendous amount of respect for herd- quitter cows. When the cowherd follows the leaders over the edge of a cliff, the herd- quitter cow will be watching from a safe distance.

We use the term *Herd Quitter* to refer to people who have enough courage to break away from the status quo, herd- mentality way of thinking. It is more about thinking for yourself than anything else.

The Herd Quitter concept applies to other aspects of our lives. Most of the people in all businesses and occupations belong to a status quo herd. They are all thinking alike. Very little individual thinking is taking place. Sadly, politics and religion are dominated by a status quo majority. It takes courage to break away from the status quo herd — but it's worth it! Nothing of lasting value will ever be accomplished within the status quo herd.

The most successful people throughout all of history have been those who dared to be different. They were not afraid to break away from the status quo herd. In contrast, those who follow the status quo herd and do what everyone else is doing will never be above average. Dare to be different! Dare to think for yourself! Dare to be a Herd Quitter!

*Fathers, do not embitter
your children, or they will
become discouraged.*

Colossians 3:21

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

Masculinity and Calving Ease

By Kit Pharo

A bull should look like a bull — and the sooner he does, the better. Early maturity and masculinity are of utmost importance in a maternal cowherd. Masculine bulls will produce feminine cows — and vice versa. Many of our bulls will look more masculine at 18 months of age than status quo sissy bulls will ever look, no matter how old they get.

Over the years, I have heard many people say they would never use bulls like the ones pictured to the right on heifers. I know why they say that — but they are wrong! These bulls did NOT look like that the day they were born! Their masculinity is the result of testosterone — *after* they were born.

Many cow- calf producers wrongly purchase cow- headed bulls to breed to their heifers. That's the quickest way I know of to breed the fertility out of a cowherd. Over 80% of the bulls we sell can be safely used on virgin heifers — but they still look like a bull should look!

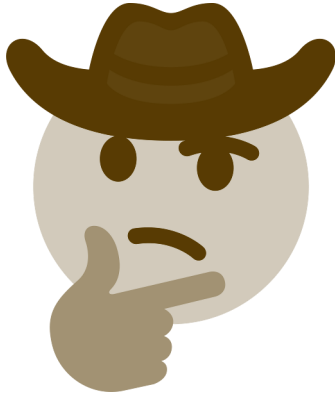


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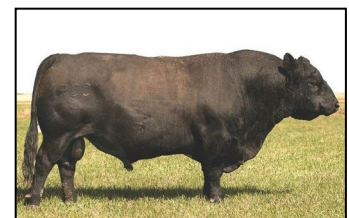
Cowboy Logic: “If you’re thinking like everyone else, you’re not thinking.”

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**Efficient, Easy-Fleshing,
Moderate-Sized, Low-Input,
Grass-Based Genetics
— with Calving Ease —**



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