



**Selling Bulls for 36 Years — and Making Friends for Life**

## Hip Slope

By Kit Pharo

When I thumb through status quo beef publications, breed journals, AI sire directories and bull sale catalogs, I am appalled by all the pictures of structurally incorrect cattle. There are many structural problems — but the one that is most obvious and pronounced is level hips. We have discussed this many times in our weekly emails, but never in a newsletter.



Let me begin by saying, every land mammal God created has a sloped hip — from rabbits to elephants. Level hips were not created by God. Level hips were created by men in their ridiculous attempt to improve on God's creation. The pelvis has two protruding bones on each side — the hip bone and the pin bone. There should be a significant downward slope from the hip bone to the pin bone.



The oval-shaped pelvic opening lies between the hip bones and the pin bones. The greater the slope the easier it is for the baby to get out. The pelvis on the left below is sloped enough to show the entire pelvic opening. The pelvis on the right has sufficient slope, but not as much as the pelvis on the left. If a pelvis is level from the hip bones to the pin bones, you would not be able to see any opening. With a level hip, the calf is required to literally go up and over what is supposed to be the bottom side of the pelvic opening.



Unfortunately, most of the so-called "improved" breeds of beef animals around the world have been bred to some extent for level hips — simply because some people think it looks better. I cringe when I hear a 4-H or FFA show ring judge place one breeding animal over another because he likes the animal's level hip.

**Pharo Cattle Company®** is one of very few places you can find cattle with adequate slope from the hip bones to the pin bones. Compare the level-hipped status quo bull on the left below to the PCC® bull on the right below. If you use level-hipped bulls, it won't take long to create calving problems in your cowherd. You will notice that most level hipped cows and bulls also have a high tail head. Steve Campbell, with Tailor Made Cattle, refers to this as the anti-fertility bone.



"If no one knows when a person is going to die, how can we say he died prematurely?"

~ George Carlin ~

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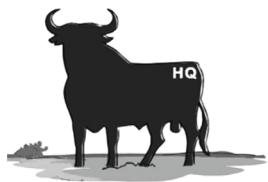
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**Our Mission: Help ranchers put more fun and profit into their business.**

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## Be a Herd Quitter®



Most people, in all walks of life, belong to a status quo herd because it is easier to follow the herd than to think for yourself. By definition, the status quo herd is made up of people who are comfortable with being average.

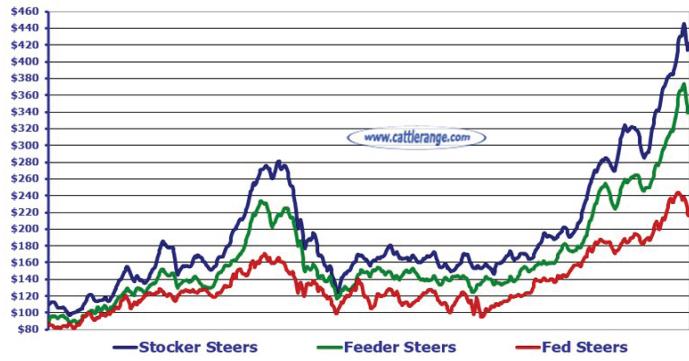
There's nothing wrong with being average until you realize most of the members of a status quo herd don't want anyone else to rise above average. The status quo herd is similar to a bucket of crabs. When one crab tries to climb out of the bucket in an attempt to better itself, all of the other crabs will pull it back down.

**Be a Herd Quitter.** The definition of a Herd Quitter is someone who has enough courage to break away from the status quo herd-mentality way of thinking. It's more about thinking for yourself than anything else.

## The Cattle Cycle

This cattle cycle has been nothing short of exhilarating! As a result of an extreme and extensive drought, total cow numbers are the lowest they have been in 75 years. This has resulted in sky-high cattle prices. It would be nice if we could hold on to these high prices — but that's never happened before. What goes up must come down.

Stocker, Feeder & Fed Steers Moving Averages  
April 14, 2009 thru December 12, 2025



There is reason to believe we have reached the cycle high and that the national cowherd will soon begin the process of rebuilding. No one knows how long these high prices will last — but we all know they won't last forever. That's why we need to be prepared. To survive the upcoming fall in cattle prices, most cow-calf producers desperately need to make the transition from high-input ranching to low-input ranching.

## The Benefits of a Short Gestation Period

Calving ease is more a function of birth weight than of anything else — and birth weight is more a function of gestation length than of anything else. The standard gestation length for beef cattle is 283 days. However, there is a tremendous amount of variation between and within breeds. During the last ten days of gestation, the fetus will increase in size by 1 to 1.5 pounds *every* day.

Because of very short gestation periods, PCC® Angus and Red Angus calves will almost always come one week to 10 days early. Some will be two weeks early. We are almost always 90% done calving in 30 days. We are always 100% done in 45 days. To keep things simple and easy, we calve our first-calf heifers out on open range with our mature cows.

**Another huge advantage** of a short gestation period is that it allows extra time for cows and heifers to recover and rebreed. It's impossible for a cow with a long gestation period to have a calf every 12 months because there simply are not enough days in the year.

## Measuring Improvement

It's human nature to want to see visible improvement in the things we do. If we cannot see improvement, how will we know if we are accomplishing anything? To see visible improvement implies there must be a noticeable change in what we are working on.



The desire to see visible improvement, however, has created major problems at the cow-calf level of beef production. Pick a trait — any trait. If your goal is to continually increase a trait, you will eventually go past the optimum level. The status quo beef industry, for example, has been selecting almost exclusively for heavier and heavier weaning weights for the past 40+ years. Although they went past optimum a long time ago, they continue to select for heavier and heavier weaning weights because they want to continue to see a noticeable change.

Trying to increase individual weaning weights beyond the optimum level has done nothing but increase cow size and feed requirements — which has decreased stocking rates, pounds per acre and profit. Stocking rate affects profitability, or lack thereof, more than anything else. Ironically, while cow size continues to increase, there has been no noticeable increase in weaning weights for the last 25 years. Your environment can only support so much growth, size and milk. Once you go beyond that level, you will quickly reach the point of diminishing returns.

**Direction vs. Destination.** There is a huge difference! Most cow-calf producers have no specific target in mind. Their goal is to continue to increase certain traits. They have a direction, but they have no destination. They will continue to increase their chosen trait until financial hardship forces them to change directions. In contrast, there is a growing number of think-for-yourself producers who have a destination in mind. They know what the optimum level is for most traits. That's their destination. They have no desire to go beyond optimum.

In 1988, Dr. Rick Bourdon, a like-minded academic friend of mine, wrote a paper titled "Bovine Nirvana" where he presented the case that genetic selection should be toward the optimum for what the environment can support. Dr. Bourdon said, "To breed for optimum means to have a target in sight beyond which you don't want to go. If your goal is to maintain an optimum level for any trait, the evidence of your accomplishment is not visible change, but lack of it." Dr. Bourdon was a think-for-himself academic who was way ahead of his time.

Once you have achieved the optimum level for a trait, the evidence of true accomplishment is not visible change — but lack of it! From the very beginning, Pharo Cattle Company® has had a destination in mind. Bigger is not always better. The optimum cow is not the biggest cow. It does not matter how big your cattle are if they're not profitable. Bragging rights may make you feel good at the local coffee shop, but you cannot purchase groceries or anything else with bragging rights.

# How Long Will It Take?

By Kit Pharo

If I continue to use the wrong type of bulls, how long will it take to produce the right type of momma cows? The obvious answer to this question is, "It ain't gonna happen" — but that's exactly what many cow-calf producers are trying to do. Over the years, I have talked to thousands of producers who say they want to produce efficient, easy-fleshy, 1100-pound cows that can wean 50% of their own weight for many years — without being pampered.

That sounds doable until you discover they are using bulls that were produced by high-maintenance, 1400 to 2000-pound cows that must be pampered to stay in production. Folks, that ain't gonna work — no matter how long you stay at it. Like begets like. If you want to produce the right size and type of momma cows, you need to be using bulls that were produced by the right size and type of momma cows. It's as simple as that! Before you purchase a bull, you need to go look at the cowherd that produced the bull.

**The bulls selling** in our three Spring Bull Sales were produced by efficient, easy-fleshy, moderate-sized momma cows that have never been pampered. We believe we must be tougher on our cows than you are on your cows. Otherwise, we will never be able to help you improve your genetics and profitability. How many other bull producers have this philosophy?

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*"Call to me and I will answer you, and tell you great and unsearchable things you do not know." (Jeremiah 33:3)*

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## Do You Have A Competitive Advantage?

No matter what business you're in, having a competitive advantage is a very good thing. It is often the difference between mere survival and amazing success. In nearly all businesses, there are three primary types of competitive advantages — a cost advantage, a production advantage and a differential advantage.

**A cost advantage** exists when a business is able to deliver the same product as competitors, but at a much lower cost. This requires a lower cost of production. Low-input cow-calf producers, for example, have a huge competitive advantage over status quo, high-input producers. Many PCC® customers have a cost of production that is half what the national average is.

**A production advantage** is created when a business is able to increase production without increasing the size of its facility and/or land base. With the right size and type of momma cows along with more intensive grazing practices, many PCC customers have doubled their beef production per acre! WOW! That's like having someone give you another farm or ranch for free!

**A differential advantage** is created when a product differs from competing products and is perceived to be superior to competing products. Many PCC customers, for example, produce and market grassfed and/or Tenet® (superior tenderness) beef. While consumer demand for conventional beef has been very good, the demand for grassfed and/or Tenet® beef far exceeds the supply.

Several PCC® customers have all three competitive advantages! They produce more beef at a lower cost than everyone else — and they sell it for more than everyone else. These producers are my heroes! They are doing what all of their status quo neighbors say is impossible to do. They will be extremely profitable in good times, as well as in not-so-good times!

**When cattle prices fall** — and they will — the cost of inputs will remain high. At that time, the only profitable cow-calf producers will be those who have at least one competitive advantage. I encourage you to do what you need to do to create a competitive advantage for your business. You're gonna need it!

# What is a Cowboy Auction?

By Kit Pharo

Pharo Cattle Company® has been selling bulls since 1991. In the beginning, we used a conventional auctioneer because we didn't know any better. We were fortunate to have a good auctioneer who understood the uniqueness of our program. The primary problem with auctioneers, however, is that they are very difficult for most people to understand. Most of our customers were never sure about the bid the auctioneer was asking for until he said, "SOLD!"

Another problem is that some auctioneers and ring men take bids from the rafters. We have all seen this happen. Twice, I have stopped an auction to find out who was bidding against me. Both times, there was no one. They just had to reach a certain price before they could sell the animal. If that is the case, they should start at that price and go up from there. The auctioneer we used started every bull by asking for a ridiculously high bid. When that did not work (it never worked), he would ask for a ridiculously low bid — and go up from there. What a total waste of time!

Many of our customers like to use our Sight-Unseen (SUS) bidding program. Most of our SUS bids are now handled by one man on a computer. In the early days, however, we did not have a computer program for our SUS bids. We gave those bids to individuals sitting in the seats. If you had an \$8000 SUS bid for someone, you knew you could not go over that amount. However, if there happened to be three people trying to bid \$8000 at the same time, one would get the \$8000 bid, the next would get an \$8500 bid and the third would get a \$9000 bid. Boom, boom, boom! Spending more than we were allowed to spend was not good for business.

We finally concluded that a good auctioneer makes the seller money — but he often does so at the expense of the customer. There must be a better way. We finally came up with something we called a Cowboy Auction. Although our Cowboy Auction seems slow and laid back, we are able to sell bulls two to three times faster than a traditional auctioneer. We have been using our Cowboy Auction exclusively since our first fall bull sale in 2001. I was the first Cowboy Auctioneer.

Our unique Cowboy Auction has an auction format, but it has no fast-talking, hard-to-understand auctioneer and it has no loud, in-your-face ring men. Everyone who has attended one of our Cowboy Auctions has enjoyed and appreciated it. Every bull has a base price posted in the sale catalog. The best bulls will have the highest base prices. Rather than waste everyone's time, we start at the base price and go up from there.

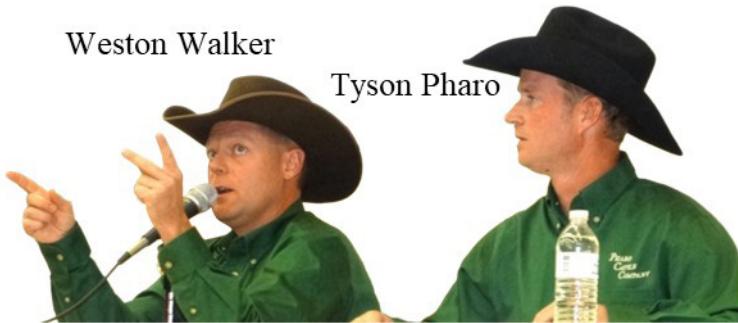
**When it is time to sell a bull**, we will ask those who are interested in that bull at the base price to raise their buyer number. If there is only one number in the air, the bull will be sold to that buyer number for the base price. If there are several numbers in the air, we will increase the bid in increments of \$250, \$500 or \$1000, at the auctioneer's discretion, until only one number remains. The size of the bidding increment is determined by the number of buyer numbers in the air. This provides a very simple, low-pressure way to purchase bulls. You will always know what the bid is and you will always be able to see who is bidding against you. No monkey business!

The only problem with our Cowboy Auction is there can be a tie bid when the last two buyer numbers drop out at the same time. When that happens we give the bid to the bidder with the lowest buyer number. The other bidder will then be asked to increase his bid to the next \$100 increment to stay in the auction. If he increases his bid, the bidder with the lowest buyer number can raise the bid another \$100, and so on. We can usually break a tie in five seconds.

**We would never consider** going back to a traditional auction format. It has no advantages over our Cowboy Auction. Not surprisingly, others have adopted our Cowboy Auction. It is by far the best auction format for farmers and ranchers who do not attend weekly auctions.

Weston Walker

Tyson Pharo



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**Cowboy Logic: "A journey of a thousand miles often begins with a flat tire."**

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