



Agronomy Notes

Capital Region

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EXTRA EDITION

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From Field to Storage – Rapid Hay Harvest

Plant cell respiration in forages continues even after plants are cut and laying in the windrow. This process uses plant cell sugars and carbohydrates that decreases forage quality until the forage is dried to less than 18 percent or placed in a silo or ag bag or round bale as baleage. The faster this process occurs, the higher quality forage that is produced. This is one reason grazers are able to capture extremely high forage quality with their cattle.

Producers can shorten this dry down process by managing windrows. A wider swath plus proper conditioning at the mower can shorten the field curing window significantly. This is especially important for high yielding first cut but also is important for later cuts. Many producers of haylage harvest later cuttings the same day as mowing by paying attention to swath management.

Another strategy many forage producers incorporate is to mow early in the day. Early mowing allows these producers to maximize the better drying conditions longer than a late day mowing. Again the key to maintaining forage quality potential is to get the forage harvested as soon as possible.

**Paul Craig, CCA
Forages**

***Editor's note:** Agronomy Notes has invited Tim Sutherland, of AgChoice Farm Credit contribute articles that would be of timely interest to regional farmers. I hope you enjoy his contributions. Let me know if you have a strong interest one way or another. Mark Goodson*

Financial Farming

Here's wishing you and your family good health. As the price of medical care, medicine and health insurance premiums continues to rise at a feverish pace, you are going to need it!

In this age of high healthcare inflation, staying healthy has become an increasing important financial strategy. While the cost of health care can be managed through personal choice to some degree, we don't choose to get seriously ill and when we do, the rising cost of medical care is creating financial havoc for many farmers, their families and their employees.

There is no one single reason why our nation's healthcare system has lapsed into critical condition and there will be no single solution to fix it. However, there is a new tool – the Health Savings Account ("HSA") – that may offer farmers some financial relief.

Created as part of the Medicare drug bill of 2003, the HSA is a special healthcare account containing a number of tax advantages to encourage consumers to spend their healthcare dollars as wisely as they spend on other necessities. The purpose of the HSA is to pay qualified medical expenses for yourself, your spouse, and your dependents. A key eligibility factor to setting up an HSA is that you cannot have access to other traditional health insurance coverage.

The HSA is already being referred to as a "Medical IRA" and there are a number of similarities to an IRA. You own your individual HSA and your contributions are tax-deductible. Employers can contribute to your HSA as well and there a number of tax advantages to both employers and employees depending on how the HSA is established.

You have until April 15th of the following year to make your annual HSA contributions and can make additional catch-up contributions if age 55 and over. Unused funds and accumulated investment income in your HSA carry over year-over-year without limit and are available to pay for future medical costs. Investment income is earned tax-free and withdrawals for qualified medical expenses are tax-free as well. The HSA is the only place in the tax code where one can make tax-deductible contributions, earn tax-free income/growth and take tax-free withdrawals.

The HSA “invests” in a high-deductible health insurance plan (“HDHP”) that has a much higher out-of-pocket cap for medical expenses than traditional health insurance plans. A HDHP is defined as having a minimum annual deductible of \$1,050 for self coverage and \$2,100 for family coverage. Another important HDHP definition is the annual limitation on out-of-pocket expenses of \$5,000 for self coverage and \$10,000 for family coverage. Annual contributions to the HSA are limited to the HDHP’s annual deductible.

The social policy objective behind the creation of the HSA is to stem the steep climb in healthcare premiums, foster smarter use of the nation’s healthcare system and encourage employers to provide access to health insurance coverage to their employees. Take a close look at the HSA as a possible solution to your healthcare insurance challenges, especially farmers struggling to continue to offer health insurance to your farm employees. Call your tax or financial advisor for more information about this interesting new financial instrument.

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