From: **Jones, Don** <DJones@cottoninc.com> Date: Sun, Sep 14, 2014 at 9:28 AM Subject: draft Cotton Winter Nursery - Update To: "Eric Young (eyoung@ncsu.edu)" <eyoung@ncsu.edu>

Dr. Young;

There have been many changes in the Cotton Winter Nursery (CWN) operations since the beginning of the year. This past January the National Cotton Council (NCC) announced plans to cease managing the CWN after doing so for 60+ years. Six decades is the definition of long term commitment to our industry and specifically to cotton germplasm development, and we very much appreciate their financial and managerial support. It was a huge commitment given their budget resources. In addition, during the 2014 Beltwide Conference the cotton research community recognized the site manager in Mexico, Mr. Wes Malloy, for his 39 years of service. He is now retired from NCC. Fortunately, Cotton Incorporated was able to sign an agreement with him so he will manage one more nursery for the cotton breeding community. For the 2014 / 2015 season, the sole project will be selfing and seed increase of the large Nested Association Mapping (NAM) project that will enable future genotyping and phenotyping. This project, nearly 6000 lines, is approximately 50% the size of any previously grown nursery, so the financial resources required to grow it are substantial. *Continued financial support from the SAAESD is needed and would be greatly appreciated with this project*.

For the Fall 2015 planting season and beyond, we have decided to relocate the nursery outside of Mexico. There are numerous reasons, so I will list /discuss several below. As was stated previously, the retirement of Mr. Malloy means his replacement must be identified. This decision is critically important as this individual or company will effect breeding progress across the entire cotton belt. Another relocation factor was the need for increased safety for nursery operations / visitors as the violence in Mexico has become problematic. A third critical factor the community must keep foremost in our minds is that labor expenses to plant, pollinate, harvest, and gin nursery materials are easily our largest CWN expense.

Exploratory trips have been made over the past 18 months to the two most widely utilized countries for cotton research nurseries, namely Puerto Rico (PR) and Costa Rica (CR). Based on observations from these trips, coupled with extensive communications with private cotton seed companies who have large operations in each, I believe Costa Rica is the best option. The reasons include: a) >75% labor savings of CR vs PR, b) ample labor supply, c) superior environment for growing cotton in northwest CR, and d) substantially less probability of adventitious presence problems in CR. Two options currently being evaluated for on-site management are 1) identifying an individual to manage the CR CWN or 2) hiring an existing company which already operates cotton nursery in CR. Option #2 has definite advantages and with that in mind, I have identified Costa Rica Seeds as a possible partner and visited with them on the phone last week. I am following up with an in-country visit with their president (accompanied by Mr. Malloy) in mid-October.

Finally, I learned just last week the USDA-ARS has agreed to support this nursery relocation with a one-time \$500k contribution. A Specific Cooperative Agreement is currently being negotiated between the parties, and I fully expect it to be signed within days. With the \$500k USDA-ARS support, Cotton Incorporated commits to actively manage the relocation process while also contributing a minimum of \$100k to the effort. All of these funds, which average \$120K per year, will be used to explore and then reestablish our CWN operations. This is a major task, and more funds will be needed in order to have a critical mass sufficient to accomplish our goals. I will follow-up in the near future with more specifics on how the SAAESD could help our efforts.

Regards,

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