

## Cotton Winter Nursery Status Report

On Thu, Aug 1, 2013 at 11:44 AM, Percy, Richard <[Richard.Percy@ars.usda.gov](mailto:Richard.Percy@ars.usda.gov)> wrote:

Dear Cotton Winter Nursery Cooperators,

Last Monday we had our annual CWN management meeting. During that meeting issues were discussed and decisions made that are fundamental to the future operation of our nursery. I am sure that many of you know that due to circumstances too convoluted to describe here, we have engaged in an exploration of the desirability of moving the nursery. Many of you are also aware of continuing budget problems with the nursery. For brevity, let me make three statements:

- 1) The Cotton Winter Nursery will remain in Mexico, in the state of Colima, for the foreseeable future.**
- 2) To remain viable, the nursery will have to raise rates by approximately 50%.**
- 3) The nursery will in the coming months begin a search for an assistant nursery manager. It is the intent that this individual will become the manager after a period of training and service under the direction of Wes Malloy.**

Many of you may be aware that the nursery has been moved off of INIFAP facilities this past year. This action was taken when INIFAP requested a new agreement with the CWN that had elements that were unacceptable, not in the best interests of the nursery or its users, and appeared to be non-negotiable. The arrangements Wes Malloy made for the nursery at a new location on extremely short notice this past year have exceeded expectations. The arrangements for the nursery location made in 2013 will continue in 2014.

Regarding costs of the nursery, the nursery has not paid for itself for at least a decade and has run a deficit for several recent years. For over a decade users of the nursery have been subsidized by the ARS through direct support payments exceeding \$100,000 a year. Even with this subsidy, costs of the nursery have exceeded income. Add to this the fact that national budget sequestrations will impact the ARS ability to subsidize the nursery in the future. Therefore, it is the intention of the nursery to become self-supporting and for individual users to fully pay for services they receive. Many of you are probably aware that the managing partners of the nursery have investigated alternative sites for the nursery for the past year and a half. In the course of investigating possibilities in Puerto Rico, it became very obvious that the nursery in Mexico is an extreme bargain, even at rates 50% higher than currently charged. For example, a 10 hill plot that would cost \$112 in Tecoman (current rates) would cost between \$260 and \$302 in Puerto Rico, at the \$21-25 per hour labor charges of nurseries there. It is obvious that even with a 50% increase, the Tecoman, Mexico site remains a bargain. This is somewhat beside the point, however. For its long term viability, the nursery must pay its own way, and the only way to do that is for our users to assume the true costs of the nursery.

Finally, I think it is fair to say that Wes Malloy has been an excellent manager of the nursery and probably has spoiled us all. However, Wes has indicated that sometime in the near future he wants to retire to spend more time on other interests. Therefore we have begun the process of writing a job description for an assistant to work with Wes for a period of time (hopefully though a full season at minimum) and at some point take over the manager position. We will be asking you to help us identify candidates for this position.

**In the next few weeks expect to receive:**

- 1) A Revised Submission Instructions for the 2014 that will have a revised table of charges.**
- 2) A position description for a CWN assistant manager.**

Thank you for your continued support of the nursery and I hope you will help us through the transitions we are currently undergoing. Please share this letter with anyone you feel would have an interest in using the nursery.

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