

Palm Beach counties. These two regions are recognized for their distinct production systems and product types: Central Florida foliage firms tend to produce plants in small pot sizes (3 to 6 inches), using fully weatherized and heated greenhouse structures, whereas South Florida firms produce larger plants in open-air shadehouses. In previous years, results for the two regions and for the Dade County firms within South Florida were reported in separate publications. However, results are here consolidated so that regional comparisons may be made. Average size of businesses differed substantially between the two regional groups sampled, but these differences probably reflect a great deal of sampling error, and should not be taken as any indication of average firm size.

In addition to the regional groupings, data were analyzed for subgroups of large and small firms, and highly profitable firms, so that an appreciation can be gained for effects of scale, and for the ingredients of successful businesses. Small firms were defined as having annual sales less than \$200 thousand. Large firms had annual sales greater than \$1 million in South Florida, and greater than \$500 thousand in Central Florida. Highly profitable firms were defined as having rates of return on capital investments greater than 15%.

The results reported are weighted averages for firms in each group. In other words, basic information on sales, expenses, etc. was first averaged, then analyzed as though for a single "average" firm. This procedure provides results that are weighted for the overall size of the firms involved. Also, for some measures, results are given for the "highest rates" and "lowest rates," representing averages for the highest or lowest third of firms for that particular measure.

Further information on definitions and calculations are given in the Appendices. Detailed results are also provided in Appendix Tables.

RESULTS

Complete and usable records were received from 51 foliage firms: 20 in the Central region, and 31 in the South region, with 28 from Dade County. Numbers of firms represented for each grouping of large and small, and most profitable firms are indicated in Table 1 along with basic information on business volume and scale of production operations.

Value of Production

Annual sales

Figures reported here represent only plants produced by the participating nursery firms. Sales of plants purchased for immediate resale, or "brokered," were deducted from total sales to give net value of "own" plant sales, which averaged \$486 thousand for Central Florida firms, and \$1.221 million for South Florida nurseries (Table 1). The largest 6 firms in Central Florida had sales averaging \$1.026 million, and the largest 7 firms in South Florida had average sales of \$4.045 million. The smallest 5 firms in Central Florida had sales averaging \$100 thousand, and the smallest 10 firms in South Florida had average sales of \$133 thousand.

Plant Inventory Change

Changes in plant inventory levels were accounted for to evaluate total production, in addition to sales. Table 1 shows average plant inventory changes, for Central and South Florida foliage firms, and largest, and smallest nursery subgroups. Average plant inventory change was positive for South Florida firms (\$57 thousand), meaning that total value of production exceeded annual sales. Central Florida firms had a decrease in average plant inventory (-\$14 thousand), thus giving a total value of production less than annual sales. Largest and smallest firms in the two respective regions showed opposing patterns of inventory change, although not large in magnitude compared to sales levels.