

Figure 2b--Distribution of managed capital, South Florida foliage nurseries, 1989.

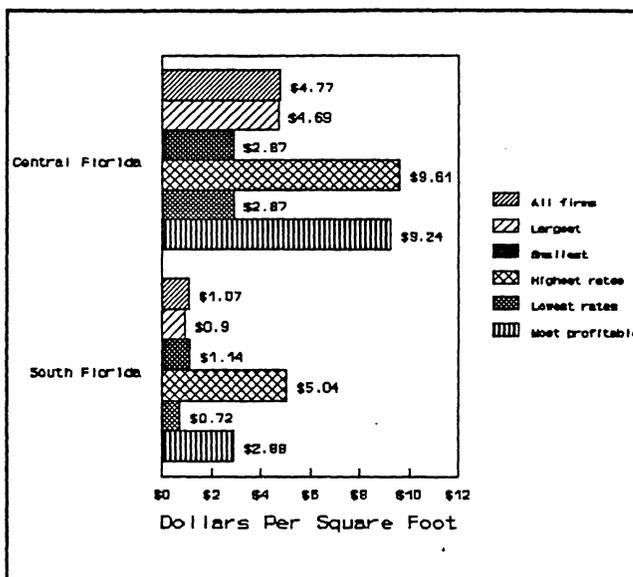


Figure 3--Space productivity. Value of production (sales plus inventory change) per square foot of finishing and propagating space (excludes stock plant space).

### Resource Use Indicators

#### Space Use

Space productivity was measured as value of production (annual sales plus inventory change) per square foot of growing space. As shown in Figure 3, value of production per square foot for Central Florida firms (\$4.77) was more than 4 times greater than for South Florida firms (\$1.07) because of the more intensive production systems. Large firms in South Florida had even lower space productivity (\$0.90/sq.ft.), while smaller firms were slightly above average (\$1.14/sq.ft.). In contrast, small firms in Central Florida had lower production per square foot (\$2.87) than the average, and large firms had nearly the same as the average (\$4.69/sq.ft.). The third of sampled firms with the highest space productivity averaged \$9.61 per square foot in Central Florida and \$5.04 per sq.ft. in South Florida.

The most profitable firms had space productivities of \$9.24 per square foot in Central Florida and \$2.88 per square foot in South Florida, or about twice as great as the overall averages, indicating the importance of space productivity for profitable nursery operations. Low space productivity may result from several causes: overmature plants, high vacant space, slow plant growth, and disease and quality problems that reduce yields of salable plants. In addition, nursery layout and fertilizing and growing techniques can affect production time and space requirements.

Space productivity on the basis of growing acreage averaged \$208 thousand per acre for Central Florida firms, and \$47 thousand per acre for South Florida nurseries (Appendix Tables 2a and 2b). Value of production per square foot on the basis of propagating and finishing space (excludes stock plant space) was, of course, greater than for total growing space. For South Florida firms, this difference (\$1.70 vs. \$1.02 per sq.ft.) was proportionately greater than for Central Florida firms (\$5.44 vs. \$4.90 per sq.ft.) because of their higher percentage of stock plant space. Detailed results for this measure are given in Appendix Tables 2a and 2b.

Plant inventory turnover is another indicator of space productivity. Inventory turnover expresses the rate at which inventory is replaced on an ongoing basis, and is calculated as annual sales divided by average inventory value. Plant inventory turnover averaged 2.98, or 298 percent, for Central Florida firms, and 1.60, or 160 percent, for South Florida firms (Appendix Tables 4a and 4b). In other words the number of "crops" per year averaged almost 3 for Central Florida firms and 1.6 for South Florida firms. This is another indication of the greater production intensity of Central Florida foliage nurseries. However, the pattern of results for large vs. small and most profitable firms differs from those for production per square foot because the inventory