turnover measure is complicated by inventory values. Large firms in both regions had higher average inventory turnover rates (3.3 in Central Florida, 1.8 in South Florida) and small firms had lower rates (2.0 and 1.4, respectively). Highly profitable firms in Central Florida had turnover rates (4.1) nearly as great as the highest rates (4.4), but highly profitable firms in South Florida had turnover rates (1.1) near the lowest rates (0.8). This paradox for highly profitable South Florida firms may be explained by the relatively high inventory levels required for some profitable long-term crops such as bromeliads and orchids, which reduce inventory turnover rates.

### Labor Use

**Labor productivity** was measured in terms of value of production per full-time equivalent worker (2080 hr/year). Figure 4 shows that labor productivity was somewhat higher for South Florida nurseries ($44 thousand/FTE) than for Central Florida firms ($37 thousand/FTE). In both regions, large and small firms had below-average labor productivity. Highest rates of labor productivity were substantially greater for South Florida firms ($81 thousand/FTE) than for Central Florida firms ($54 thousand/FTE), but lowest rates were nearly the same regionally ($29 thousand and $26 thousand per FTE, respectively).

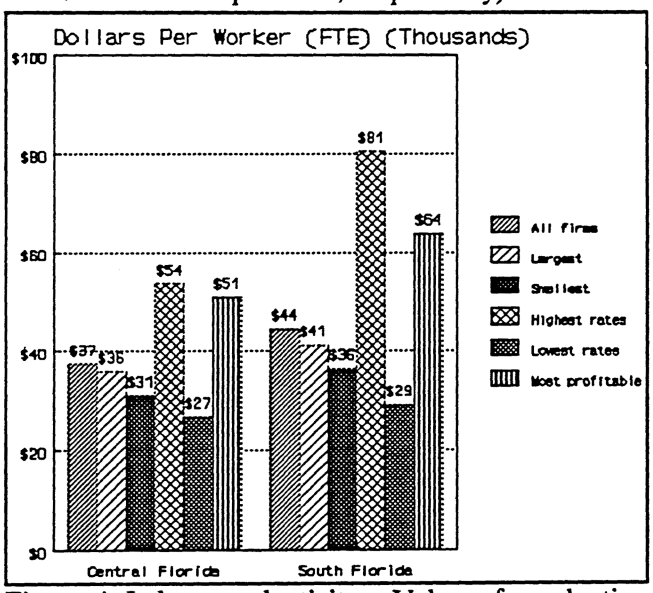


Figure 4--Labor productivity. Value of production per fulltime equivalent person (2,080 man-hours per year).

Highly profitable firms in both regions had labor productivities approximately 50% above average ($51 thousand for Central Florida, $64 thousand for South Florida), indicating the importance of labor productivity for profitable operations. Variation in labor productivity can result from differences in investment in labor saving capital items, labor management practices, or other practices affecting crop turnover.

**Labor intensity** was evaluated in terms of production area per person or FTE persons per acre of growing area. Total growing space per full-time equivalent averaged 7.8 thousand square feet (0.18 acres) for Central Florida nurseries, 41.6 thousand square feet (0.95 acres) for South Florida firms (Appendix Tables 3a and 3b). Expressed another way, figure 5 shows the number of FTE persons per acre of growing space averaged 5.55 for Central Floirda and 1.05 for South Florida. Large firms had slightly higher labor intensity in Central Florida (5.7 FTE/A), but lower intensity in South Florida (0.95 FTE/A). Small firms showed the opposite pattern, with below-average intensity (4.0 FTE/A) in Central Florida and above-average intensity (1.4 FTE/A) in South Florida. Highly profitable firms in both regions had significantly greater labor intensity: 7.9 FTE per acre in Central Florida, and 2.0 FTE per acre in South Florida.

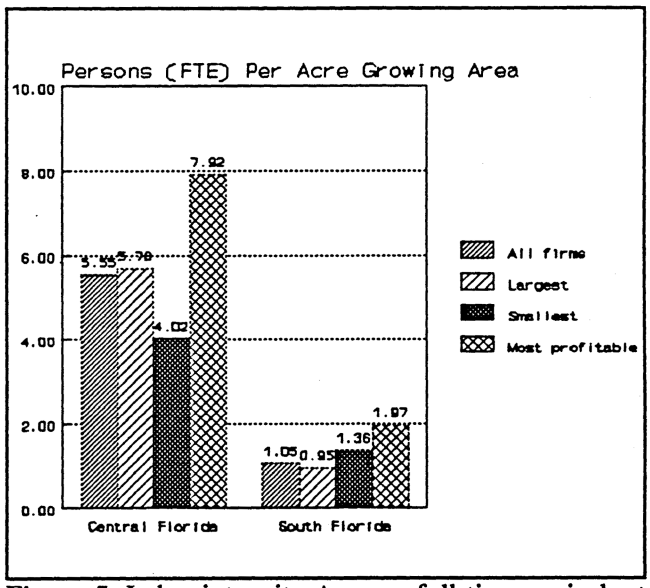


Figure 5--Labor intensity. Average full-time equivalent persons (FTE) per acre of growing area.

### Capital Use

**Capital Turnover** is an indicator analogous to inventory turnover, except that it expresses the ratio of annual sales to value of owned capital. Results for this measure generally paralleled those for inventory turnover. As shown in figure 6, capital turnover averaged 0.96 for Central Florida nurseries, and 0.70 for South Florida firms. Thus, both regions had annual sales less than capital owned. Also in both regions, large firms had above-average capital turnover rates, and small firms had below-average