



Capital Use (Appendix Table 5)

Capital Turnover. Annual turnover of owned capital value is the percentage that results from dividing the value of own plants sold by the value of capital owned. Capital turnover for all nurseries averaged 92.4 percent, for the largest nurseries 99.5 percent, and for smallest 52.1 percent (Figure 8). This means that for the average of all nurseries and largest nurseries, annual sales were nearly equal to the capital investment, and for the smallest nurseries, sales were about one half of capital invested in the nursery. Highest capital turnover rates averaged 123 percent and lowest rates averaged 40 percent.

In general, larger percentage turnover numbers are desirable, for they indicate greater sales per dollar of investment in the nursery. Problems that lower turnover rate include any of the items already mentioned that lower production rate, and therefore lower sales volume for a given nursery investment. Low capital turnover is particularly common in nurseries just getting started, or in nurseries that are expanding rapidly. Excessive investments in land, labor saving machinery and equipment will also tend to lower the capital turnover rate.

Capital Managed Per Person. Capital owned plus the value of capital items leased make-up the total capital managed in a nursery. Capital managed per full-time equivalent person averaged \$59,631 for all nurseries, \$56,310 for the largest nurseries, and \$74,472 for the smallest nurseries (Figure 9). Highest rates for capital managed per person averaged \$105,573, and lowest rates were \$47,772 (Figure 9).

Capital Managed Per Acre. Capital managed per acre of total nursery area averaged \$79,247 per acre for all nurseries, \$75,362 for the largest firms, and \$111,312 for the smallest firms (Figure 10). Highest rates of capital managed per acre were \$192,171 and lowest rates averaged \$66,185 (Figure 10).

