

RECIPE CARD OF COSTING KEY

- A** Recipe: This is the Edible Portion (EP) amount needed for the recipe (for example: 2 oz. after trimming)
- B** Ingredients: This is the name of the ingredients (for example: Carrot)
- C** As Purchased: This is the As Purchased (AP) Cost Per Unit of the Ingredient as charged by the supplier in the form sold by the supplier. (for example: Carrots may be sold whole and untrimmed at a price per pound (lb). The cost may be \$1.29 / lb.)
- D** Recipe Unit Adjustment: This is an adjustment for instances where the Unit of Measure specified in the recipe (Column A) differ from the Unit of Measure used by the supplier (Column C).

For example, your recipe may only require 2 oz. of Carrots, but the supplier charges \$1.29 / lb. You must adjust the supplier's cost to reflect the same Unit of Measure as stated in the recipe. In other words, if your recipe asks for ounces, you have to adjust the cost to be in ounces. You adjust Cost per Pound to Cost per Ounce by dividing the Cost per Pound by 16, since there are 16 ounces in a pound.

For example: Carrots cost \$1.29 / lb. So the Cost per Ounce is: $\$1.29 / 16 \text{ oz.} = \$.08 \text{ per oz.}$

Hint: if the unit of measure is the same in the recipe as used by the supplier, Column D is the same as Column C.

- E** Yield %. This is the Product Yield (EP divided by AP). This may be found in the Book of Yields or obtained from the supplier or by conducting a Yield Test. *Note that if there is no waste, the Yield % is 100%.*
- F** Edible Cost: This is the Recipe Unit Cost (Column D) adjusted for Yield %. The formula is:

$$\text{Edible Cost} = \text{Recipe Unit Cost} / \text{Yield \%} \text{ (or } F = D / E \text{)}$$

Remember to convert % to decimal form before doing the math.

Hint: if Yield = 100%, Column F is the same as Column D!

- G** Extension: This is the total cost of each ingredient. It equals EP Quantity times the EP Cost as used in the recipe. The formula is:

$$G = A \times F$$

- H** Sub-Total: This is the total (sum) of all of the Ingredient Total Costs (in other words, it is the total of all the costs in Column G)

- I** Q Factor: this is extra margin (1.5%) added to account for additional food cost not included in the calculations. The formula is:

$$\text{Q factor} = \text{Sub Total} \times .015 \text{ (or } I = H \times .015 \text{)}$$

J Total Cost of Recipe: This is the Sub-Total plus the Q factor (extra margin) and represents the total cost of all ingredients. The formula is:

$$\textit{Total Cost of Recipe} = \textit{Sub Total} + \textit{Q Factor} \textit{ (or } J = H + I \textit{)}$$

K Cost per portion: this is the Total Cost of Recipe divided by the number of portions listed at the top of the costing card. The formula is:

$$\textit{Cost per Portion} = \textit{Total Cost of Recipe} / \textit{Number of Portions} \textit{ (or } K = J / \textit{Number of Portions} \textit{)}$$

L Food Cost Percentage must be provided. It is a number representing the target percentage of revenue which is allocated towards purchasing food. Common Food Cost Percentages range from 30% to 35%, depending on the food service operation.

M Mathematical Price is the Cost Per Portion divided by the Food Cost Percentage. The formula is:

$$\textit{Mathematical Price} = \textit{Cost Per Portion} / \textit{Food Cost Percentage} \textit{ (or } M = K / L \textit{)}$$

Remember to convert % to decimal form before doing the math.

N Menu Selling Price is the price on the menu. The mathematical price is often an irregular number that would look unusual on the menu. The Mathematical Price is generally rounded up and to a number which is appropriate for putting on a menu. For example, the Mathematical Price may be \$12.61. We may choose to put \$12.95 on the menu, pricing the item \$.05 below the next whole dollar so that it appears to be a 'bargain'.

Example: Recipe Card of Costing

Menu Item: _____ Recipe Name: Beef Stew

Portion Size: 8 oz Number of Portions: 12 Date: _____

Recipe (A)		Ingredients (B)	As Purchased (C)		Recipe Unit Adjustment (D)		Yield % (E)	Edible Cost (D / E) (F)		Extension (A x F) (G)
Amt.	Unit		Cost	Unit	Cost	Unit	%	Cost	Unit	Ingredient Total Cost
1	Lb	Celery, small dice	\$1.39	Lb	\$1.39	Lb	83%	\$1.67	Lb	\$ 1.67
2	Lb	Onions, small dice	\$.59	Lb	\$.59	Lb	95%	\$.62	Lb	\$ 1.24
24	Oz	Carrots, small dice	\$1.20	LB	\$. 08	Oz	83%	\$.10	Oz	\$ 2.40
6	Lb	Beef Stew Meat	\$4.99	Lb	\$4.99	Lb	100%	\$4.99	Lb	\$29.94
5	C	Beef Stock	\$2.29	Qt	\$.57	C	100%	\$.57	C	\$ 2.85
TT		Salt								
TT		Pepper								
(H) Sub-Total (sum of G)										\$38.10
(I) Q Factor (H x .015) <small>(1.5% of sub-total of recipe extension)</small>										\$.57
(J) Total Cost Of Recipe (H + I)										\$38.67

(K) Cost per portion (J / # Portions): \$ 3.22

(L) Food Cost Percentage: 30 %

(M) Mathematical Price (K / L): \$ 10.73

(N) Menu Selling Price: \$ 10.95