

HOW MUCH?

A Food Costing Tutorial

John has just been promoted to Executive Chef of the Ritz Carlton. He has a great family recipe for Chicken Piccata that he wants to add to the menu. Because he knows it's important to turn a profit on his food, he needs to cost out the recipe that he has just standardized.

Chicken Piccata (serves 10)

10 whole	8 oz. Chicken Breasts (pounded)
4 oz.	Capers (in brine)
2oz.	All Purpose Flour
6 oz.	Dry White Wine
2 oz.	Canola Oil
0.25 oz.	Black Pepper
0.25 lb.	Shallots (minced)

He wants to know how much each ingredient costs, so he asked his local distributor for a price list. They sent him this:

FOOD Co. Restaurant Suppliers	
All Purpose Flour	\$0.99/lb.
Capers (8oz. jar)	\$3.99
Donovan Parke Chardonnay (750ml bottle).....	\$10.99
Canola Oil (1 gallon).....	\$15.00
Shallots	\$1.48/lb.
Black Pepper (1 lb. bag).....	\$8.00
Chicken Breast	\$5.50/lb.

Now he has a dilemma:

How much will it cost to prepare the recipe?

How much will it cost per person?

How much should he charge?

Step 1: Identify your ingredients

How much of what ingredients does John need to prepare his recipe? You need to know both "how much" as well as "how much of WHAT UNIT."

DO: Use the table page to fill in the ingredient list, and the quantity needed.

Step 2: Break down your cost-per-unit.

How do you know the cost of 2 teaspoons of oil if the oil is usually sold by the gallon? What if the units sold aren't really the units you use to measure in the recipe? To solve this, you need to match the quantity needed to the unit cost of an ingredient.

Example: If you need 4 tablespoons of canola oil, and the price of canola oil is in gallons, you need to make sense of the two. If there are 2 tbsp. in 1 fluid oz, and there are 128 fluid oz. in a gallon, you should make the following conversions:

Convert your ingredients into measurements you can calculate more easily (usually by weight or fluid measurement):

$$(4 \text{ tablespoons}) \times \frac{1 \text{ fluid oz}}{2 \text{ tablespoons}} = 2 \text{ fluid oz}$$

Convert your costs into usable measurements. In this case, we convert cost in gallons to cost in ounces to more easily find the cost of using canola oil:

$$\frac{\$15}{1 \text{ gallon}} \times \frac{1 \text{ gallon}}{128 \text{ fluid oz}} = \$0.12/\text{oz}$$

DO: Fill out the cost-per-unit section in the food cost form. This should be the price PER UNIT of the ingredient.

Step 3: Calculate the final total cost of your ingredients.

DO: Now just multiply the two together to get your total cost of each ingredient. Add them all up and you have the total cost of the recipe.

Step 4: Calculate the per-person cost.

If the recipe serves 10, then you will simply divide the total cost by 10. In other words, divide the total cost by the amount of servings.

DO: Find the per-person cost and fill it in the table.

Step 5: Name your price!

Take the per-person cost and multiply it by 4. Round it to a nice even number so that it's easier to read and tell people.

DO: Calculate the per-person cost and fill it in the table.