

HOW TO COST & PRICE A MENU ITEM

Calculate Your Food Cost

Example: Spaghetti Carbonara

1

List ALL Ingredients & Quantities

 8 oz pasta •  4 oz bacon •  2 eggs •  2 oz parmesan •  1 oz garlic

2

Find the Cost Per Unit for Each Ingredient

Check your invoices or inventory system:

Pasta: \$2.50 per lb (16 oz)
Bacon: \$6.00 per lb (16 oz)
Eggs: \$3.60 per dozen (12 eggs)
Parmesan: \$12.00 per lb (16 oz)
Garlic: \$4.00 per lb (16 oz)

3

Calculate Cost Per Ounce (or Each)

Divide the price by the quantity:

Pasta: $\$2.50 \div 16 \text{ oz} = \$0.16/\text{oz}$
Bacon: $\$6.00 \div 16 \text{ oz} = \$0.38/\text{oz}$
Eggs: $\$3.60 \div 12 = \$0.30/\text{egg}$
Parmesan: $\$12.00 \div 16 \text{ oz} = \$0.75/\text{oz}$
Garlic: $\$4.00 \div 16 \text{ oz} = \$0.25/\text{oz}$

See Part 2 for Pricing Formula →

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