



## Recipe Pricing Worksheet Instructions

- 1) take one of your recipes
- 2) list EVERY ingredient
- 3) list the amount required for every ingredient
- 4) compute the cost of what you use for each ingredient i.e. a 5 lb bag of almond flour is \$10; each bag holds 80 oz; the cost per oz is 13 cents; your recipe calls for 8 oz (8 oz X 13 cents=\$1.04) almond flour cost for this recipe is \$1.04. You do this with each ingredient.
- 5) how many units will you generate from this recipe? i.e recipe will yield 100 cookies; unit is 10 cookies per bag/box; you can make 10 units for sale
- 6) what is the cost of the packaging for each of these units? remember the cost includes the labels, boxes, cello bags, ribbons, anything used to get this package into the hands of the customer.
- 7) add the per unit cost of the packaging to the per unit cost of the ingredients
- 8) multiply that by 3-this is your wholesale cost which is what you would charge a gourmet store
- 9) multiply the wholesale cost by 2 and that is your retail cost what you would charge the consumer if you were working a street market or mailing it to them. If you follow this outline you will have the basis for your prices and you will make a slight profit on each sale remember to add the shipping costs on top of the retail cost when mailing.

For weight conversion, you MUST use a digital scale for accurate measure. You are converting from Volume (cups/tsp) to Weight (grams/ounces).

*You must have a profit for each unit. That profit will determine if you have a successful business.*

### Wholesale/retail pricing:

*Multiply the absolute cost by 3: **the first absolute cost amount** is what it costs you to pay for the ingredients used. **The second absolute cost amount** covers kitchen rental and labor (even if the labor is just you in the beginning). **The third absolute cost amount** will cover all incidental expenses (transportation, insurance, etc); it even includes a tiny amount as profit.*

*Multiplying the wholesale cost is what the stores would charge their customers-it is what you want to charge when people buy direct from you.*

