



FOOD COST

BASICS

WELCOME



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ACKNOWLEDGEMENT STATEMENT

You understand and acknowledge that

- the training you are about to receive does not cover the entire scope of the program and that
- you are responsible for knowing and understanding all handbooks, manuals, alerts, notices and guidance, as well as any other forms of communication that provide further guidance, clarification or instruction on operating the program.

AGENDA

WHY SHOULD I CARE ABOUT FOOD COST?

HOW DO I CALCULATE FOOD COST?

HOW DO I MAINTAIN FOOD COST?

WHO HAS A ROLE IN MANAGING FOOD COST?



Why should I
care about
food cost?



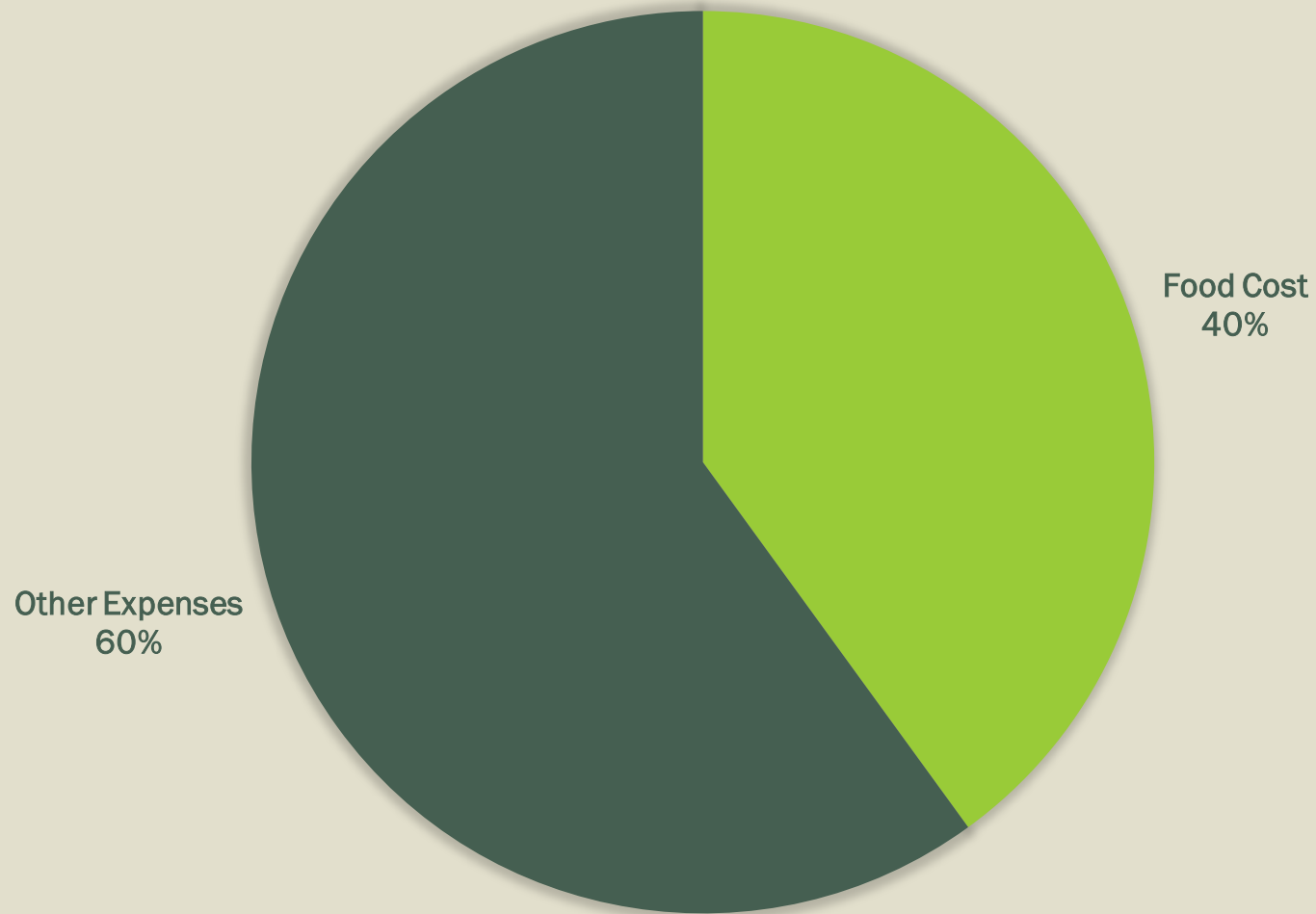
WHAT FACTORS AFFECT FOOD COST?



How Do I Calculate Food Cost?



WHAT SHOULD MY FOOD COST BE?



$$\frac{\text{Food Cost}}{\text{Revenue}} = \text{Food Cost \%}$$

WHAT IS YOUR ACTUAL FOOD COST FOR THE MONTH?

BEGINNING INVENTORY OF PURCHASED AND USDA FOODS

+

FOOD PURCHASED DURING MONTH + USDA FOODS VALUE RECEIVED

-

END OF MONTH INVENTORY OF PURCHASED AND USDA FOODS

WHAT IS YOUR ACTUAL FOOD COST FOR THE MONTH?

\$6,631

+

\$15,785

-

\$7,643

\$14,773



MENU PLANNING

HIGH- AND LOW-COST
ENTREES

STUDENT ACCEPTABILITY

SEASONALITY

PROMOTIONS

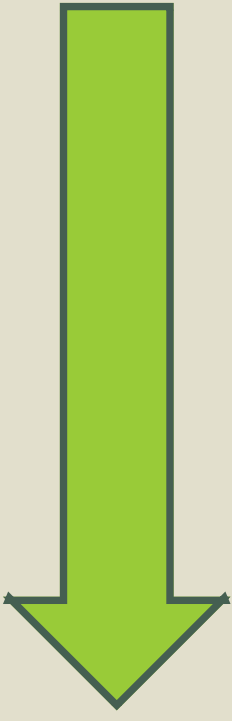
PRODUCT TIERS



HIGH COST

- Breaded chicken breast filet, white meat
- Homestyle breaded chicken breast strips, white meat
- 100% beef patty
- Turkey Breast, Caramel Roasted, Deli sliced
- All Beef Frank
- Fresh or frozen vegetables and fruits
- Ciabatta Roll

LOW COST

- 
- Breaded chicken patty
 - Breaded Chicken Chunks
 - Beef patty with soy
 - Turkey Ham Deli
 - Turkey Frank
 - Canned vegetables and fruits
 - Sliced bread

PRE-COST EXAMPLE 1

COMPONENT	MENU ITEM	FORECAST	COST PER SERVING	TOTAL COST OF MENU ITEM
ENTRÉE 1	Chicken Sandwich	125	\$0.80	\$100
ENTRÉE 2	Bacon Grilled Cheese Sandwich	75	\$0.32	\$24
VEGETABLE 1	Roasted Potatoes	110	\$0.14	\$15.40
VEGETABLE 2	Spinach Salad	24	\$0.22	\$5.28
FRUIT 1	Apple Wedges	65	\$0.17	\$11.05
FRUIT 2	Watermelon Chunks	95	\$0.25	\$23.75
MILK 1	1% White	15	\$0.13	\$1.95
MILK 2	FF Chocolate	75	\$0.14	\$10.50
CONDIMENT	Ketchup	120	\$0.09	\$10.80
CONDIMENT	Mayo	54	\$0.08	\$4.32
AVERAGE FOOD COST PER MEAL				$\$207.05 \div 200 =$ \$1.03

POST-COST EXAMPLE

COMPONENT	MENU ITEM	ACTUAL SERVED	COST PER SERVING	TOTAL COST OF MENU ITEM
ENTRÉE 1	Chicken Sandwich	125	\$0.80	\$100
ENTRÉE 2	Bacon Grilled Cheese Sandwich	75	\$0.32	\$24
VEGETABLE 1	Roasted Potatoes	110	\$0.14	\$15.40
VEGETABLE 2	Spinach Salad	24	\$0.22	\$5.28
FRUIT 1	Apple Wedges	55	\$0.17	\$9.35
FRUIT 2	Watermelon Chunks	95	\$0.25	\$23.75
MILK 1	1% White	12	\$0.13	\$1.56
MILK 2	FF Chocolate	73	\$0.14	\$10.22
CONDIMENT	Ketchup	115	\$0.09	\$10.35
CONDIMENT	Mayo	52	\$0.08	\$4.16
AVERAGE FOOD COST PER MEAL				\$204.07 ÷ 180 = \$1.13

PRE-COST EXAMPLE 2

COMPONENT	MENU ITEM	FORECAST	COST PER SERVING	TOTAL COST OF MENU ITEM
ENTRÉE 1	Chicken Sandwich	180	\$0.80	\$144
ENTRÉE 2	Bacon Grilled Cheese Sandwich	20	\$0.32	\$6.40
VEGETABLE 1	Roasted Potatoes	200	\$0.14	\$28.00
VEGETABLE 2	Spinach Salad	24	\$0.22	\$5.28
FRUIT 1	Apple Wedges	65	\$0.17	\$11.05
FRUIT 2	Watermelon Chunks	200	\$0.25	\$50.00
MILK 1	1% White	15	\$0.13	\$1.95
MILK 2	FF Chocolate	75	\$0.14	\$10.50
CONDIMENT	Ketchup	200	\$0.09	\$18.00
CONDIMENT	Mayo	180	\$0.08	\$14.40
AVERAGE FOOD COST PER MEAL				\$289.58 ÷ 200 = \$1.45

ACTIVITY:
Calculate
daily pre-cost
& then
determine the
average
pre-cost for
the week



MONDAY

COMPONENT	MENU ITEM	FORECAST	COST PER SERVING	TOTAL COST OF MENU ITEM
ENTRÉE 1	Chicken Sandwich	125	\$0.80	\$100
ENTRÉE 2	Bacon Grilled Cheese Sandwich	75	\$0.32	\$24
VEGETABLE 1	Roasted Potatoes	110	\$0.14	\$15.40
VEGETABLE 2	Spinach Salad	24	\$0.22	\$5.28
FRUIT 1	Apple Wedges	65	\$0.17	\$11.05
FRUIT 2	Watermelon Chunks	95	\$0.25	\$23.75
MILK 1	1% White	15	\$0.13	\$1.95
MILK 2	FF Chocolate	75	\$0.14	\$10.50
CONDIMENT	Ketchup	120	\$0.09	\$10.80
CONDIMENT	Mayo	54	\$0.08	\$4.32
AVERAGE FOOD COST PER MEAL				\$207.05 ÷ 200 = \$1.04

TUESDAY

COMPONENT	MENU ITEM	FORECAST	COST PER SERVING	TOTAL COST OF MENU ITEM
ENTRÉE 1	Chicken Fried Steak & Roll	150	\$0.75	\$112.50
ENTRÉE 2	Quesadilla	50	\$0.21	\$10.50
VEGETABLE 1	Green Beans	75	\$0.12	\$9.00
VEGETABLE 2	Roasted Sweet Potatoes	50	\$0.27	\$13.50
FRUIT 1	Honeydew Melon	110	\$0.15	\$16.50
FRUIT 2	Sliced Peaches	125	\$0.19	\$23.75
MILK 1	1% White	17	\$0.13	\$2.21
MILK 2	FF Chocolate	115	\$0.14	\$16.10
CONDIMENT	Ketchup	65	\$0.09	\$5.85
CONDIMENT	Salsa	50	\$0.08	\$4.00
AVERAGE FOOD COST PER MEAL				\$213.91 ÷ 200 = \$1.07

WEDNESDAY

COMPONENT	MENU ITEM	FORECAST	COST PER SERVING	TOTAL COST OF MENU ITEM
ENTRÉE 1	Cheeseburger	55	\$0.70	\$38.50
ENTRÉE 2	Corn Dog	145	\$0.25	\$36.25
VEGETABLE 1	Baked Beans	45	\$0.22	\$9.90
VEGETABLE 2	Baby Carrots	65	\$0.17	\$11.05
FRUIT 1	Orange Slices	75	\$0.23	\$17.25
FRUIT 2	Craisins	100	\$0.17	\$17.00
MILK 1	1% White	16	\$0.13	\$2.08
MILK 2	FF Chocolate	80	\$0.14	\$11.20
CONDIMENT	Ketchup	55	\$0.09	\$4.95
CONDIMENT	Mustard	104	\$0.08	\$8.32
AVERAGE FOOD COST PER MEAL				\$156.50 ÷ 200 = \$0.78

THURSDAY

COMPONENT	MENU ITEM	FORECAST	COST PER SERVING	TOTAL COST OF MENU ITEM
ENTRÉE 1	Spaghetti & Meatballs	112	\$0.65	\$72.80
ENTRÉE 2	Popcorn Chicken & Breadstick	88	\$0.27	\$23.76
VEGETABLE 1	Garden Salad	75	\$0.26	\$19.50
VEGETABLE 2	Tater Tots	110	\$0.22	\$24.20
FRUIT 1	Pineapple Tidbits	150	\$0.24	\$36.00
FRUIT 2	Rosy Applesauce	95	\$0.19	\$18.05
MILK 1	1% White	15	\$0.13	\$1.95
MILK 2	FF Chocolate	76	\$0.14	\$10.64
CONDIMENT	Ketchup	85	\$0.09	\$7.65
CONDIMENT	Ranch	25	\$0.08	\$2.00
AVERAGE FOOD COST PER MEAL				\$216.55 ÷ 200 = \$1.08

FRIDAY

COMPONENT	MENU ITEM	FORECAST	COST PER SERVING	TOTAL COST OF MENU ITEM
ENTRÉE 1	Cheese Pizza	175	\$0.28	\$49
ENTRÉE 2	Ham & Cheese Sub	25	\$0.55	\$13.75
VEGETABLE 1	Cucumber Slices	77	\$0.15	\$11.55
VEGETABLE 2	Tomato Wedges	65	\$0.23	\$14.95
FRUIT 1	Strawberries	150	\$0.33	\$49.50
FRUIT 2	Diced Pears	55	\$0.22	\$12.10
MILK 1	1% White	18	\$0.13	\$2.34
MILK 2	FF Chocolate	83	\$0.14	\$11.62
CONDIMENT	Mayo	12	\$0.09	\$1.08
CONDIMENT	Mustard	25	\$0.08	\$2.00
AVERAGE FOOD COST PER MEAL				\$167.89 ÷ 200 = \$0.84

WEEKLY PRE-COST

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Chicken Sandwich Bacon Grilled Cheese Roasted Potatoes Spinach Salad Apple Wedges Watermelon Milk	Chicken Fried Steak & Roll Quesadilla Green Beans Roasted Sweet Potatoes Honeydew Melon Sliced Peaches Milk	Cheeseburger Corn Dog Baked Beans Baby Carrots Orange Slices Craisins Milk	Spaghetti & Meatballs Popcorn Chicken & Breadstick Garden Salad Tater Tots Pineapple Tidbits Rosy Applesauce Milk	Cheese Pizza Ham & Cheese Sub Cucumber Slices Tomato Wedges Strawberries Diced Pears Milk
\$1.04	\$1.07	\$0.78	\$1.08	\$0.84
AVERAGE FOOD COST PER MEAL				\$4.81 ÷ 5 = \$0.96

CALCULATING POST-COST

BEGINNING INVENTORY OF PURCHASED AND USDA FOODS

+

FOOD PURCHASED DURING MONTH + USDA FOODS VALUE RECEIVED

-

END OF MONTH INVENTORY OF PURCHASED AND USDA FOODS

CALCULATING POST-COST

\$7,853

+

\$17,523

-

\$8,986

\$16,390

HOW TO CALCULATE POST-COST

If you sold 15,610 MEQs for the month, simply divide the food cost by the number of MEQs to get your per meal cost:

MEQ	1 lunch = 1	=	16,390
	1 breakfast = 2 ($\times 0.67$)		
	1 snack = 3 ($\times 0.33$)		
	1 supper = 1		
		=	15,610
		=	\$1.05

How do I
maintain food
cost?



STEP 1. DETERMINE YOUR PER MEAL TARGET

What is your food cost target?



STEP 2. PLAN



USE CYCLE MENUS

TRACK STUDENT
ACCEPTABILITY

REVIEW PRE-COST AND
POST-COST

MAKE ADJUSTMENTS



IMPROVING EFFECIENCY

FOLLOW RECIPES

USE ACCURATE
MEASURING TECHNIQUES

MIS EN PLACE

BATCH COOKING



USING USDA FOODS

CONTROL COSTS BY
CONTROLLING COMMODITY

LOOK BEYOND THE ENTRÉE

KEEP TABS ON SPENDING

GRAB & GO EFFICIENCY

- Transition menu items to a grab and go style
 - *Tacos* → *beef burrito bowls*
 - *Pizza* → *pizza wrap*
 - *Chicken nuggets* → *Chicken nugget bowl*
- Use the packaging you already have:
 - *Disposable cups*
 - *Tin foil*
 - *Sandwich bags*
 - *Fry bags for carrots!*



Transitional Menu Planning Tool

Fall 2020

Start planning now to be prepared for the fall. Service style may change but your menus and products can stay the same.

By planning a quality, transitional menu now, you will be prepared for any service style.

Strategies for Transitional Menu Planning

- Modify existing menu
 - Highlight students' favorites from existing menu
- Limit entrée choices
 - Offer 1 – 3 choices each day from your highlighted items
 - Provide a cold entrée each day as one of your choices
- Rethink traditional menu items to transition to grab and go
 - Out of clamshell containers for grab and go pizza
 - Pizza Wraps
 - Pizza Panini
 - Hand Calzone
- Utilize existing containers in storage
 - Disposable cups aren't only for salad shakers, try
 - Pastas
 - Rice Dishes
 - Potato Bowls
 - Vegetables
 - Soups
- Train staff
 - Demonstrate the proper way to wrap or pack items to establish efficiency
 - Assign individual kitchen duties to establish assembly line efficiency
- Monitor local restaurants for menu ideas and marketing

TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER

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Food and Nutrition Division
National School Lunch Program

Up
www.sqa

STEP 3. COUNT



COUNT YOUR
BLESSINGS

TAKE INVENTORY

CHECK POS PROCESS

LOOK AT PRODUCTION &
RECORDS

CHECK WASTE &
ORDERING PROCESS

STEP 4. OFFSET

$$\frac{\text{Cost of Item}}{.38} =$$

Sale Price

$$\frac{.20}{.38} = \$0.526 = \mathbf{\$0.55}$$



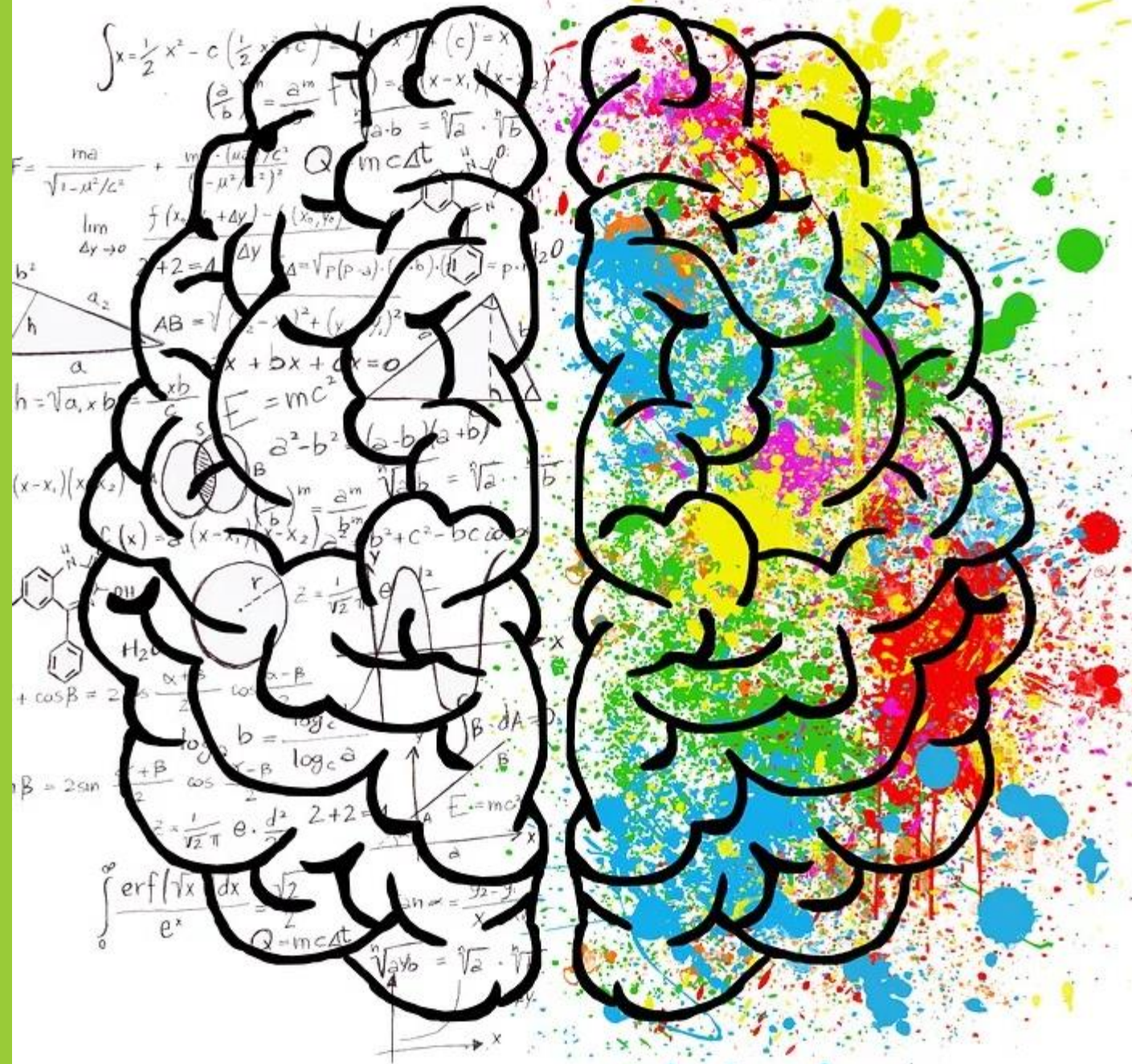
A LA CARTE SALES

SMART SNACKS

AVERAGE 38% OF
FOOD COST



ACTIVITY: Calculate Smart Snack pricing





CHIPS

Cost: \$23.25 per case of 96

Cost per item: **\$0.242**

Sale price: **\$0.637 OR \$0.65**



MUFFIN, 2 oz

Cost: \$9.13 per case of 24

Cost per item: **\$0.38**

Sale price: **\$1.00**



WHOLE GRAIN COOKIE

Cost: \$12.36 per case of 148

Cost per item: **\$0.083**

Sale price: **\$0.219 OR \$0.25**



HUMMUS CUP

Cost: \$18.24 per case of 24

Cost per item: **\$0.76**

Sale price: **\$2**



BEEF JERKY

Cost: \$28.25 per case of 48

Cost per item: **\$0.588**

Sale price: **\$1.548 or \$1.55**



POPCORN

Cost: \$23.25 per case of 96

Cost per item: **\$0.242**

Sale price: **\$0.637 or \$0.65**



GRANOLA BAR

Cost: \$45.60 per case of 96

Cost per item: **\$0.475**

Sale price: **\$1.25**



CHEESE STICK

Cost: \$26.60 per case of 200

Cost per item: **\$0.133**

Sale price: **\$0.35**



SPORTS DRINK

Cost: \$31.85 per case of 48

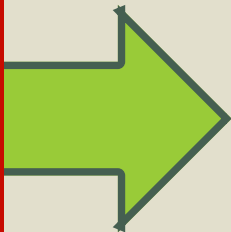
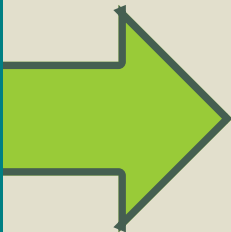
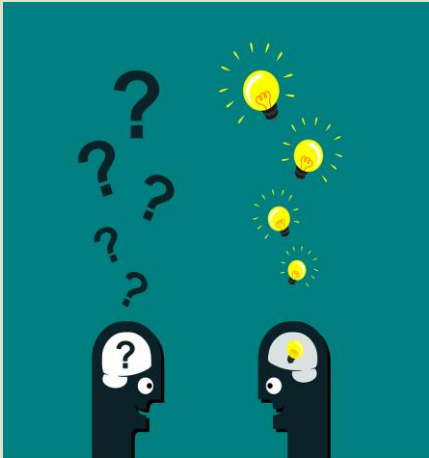
Cost per item: **\$0.663**

Sale price: **\$1.746 or \$1.75**

Who has a role
in managing
food cost?



STEPS TO HELP SITES MANAGE FOOD COST



1

2

3



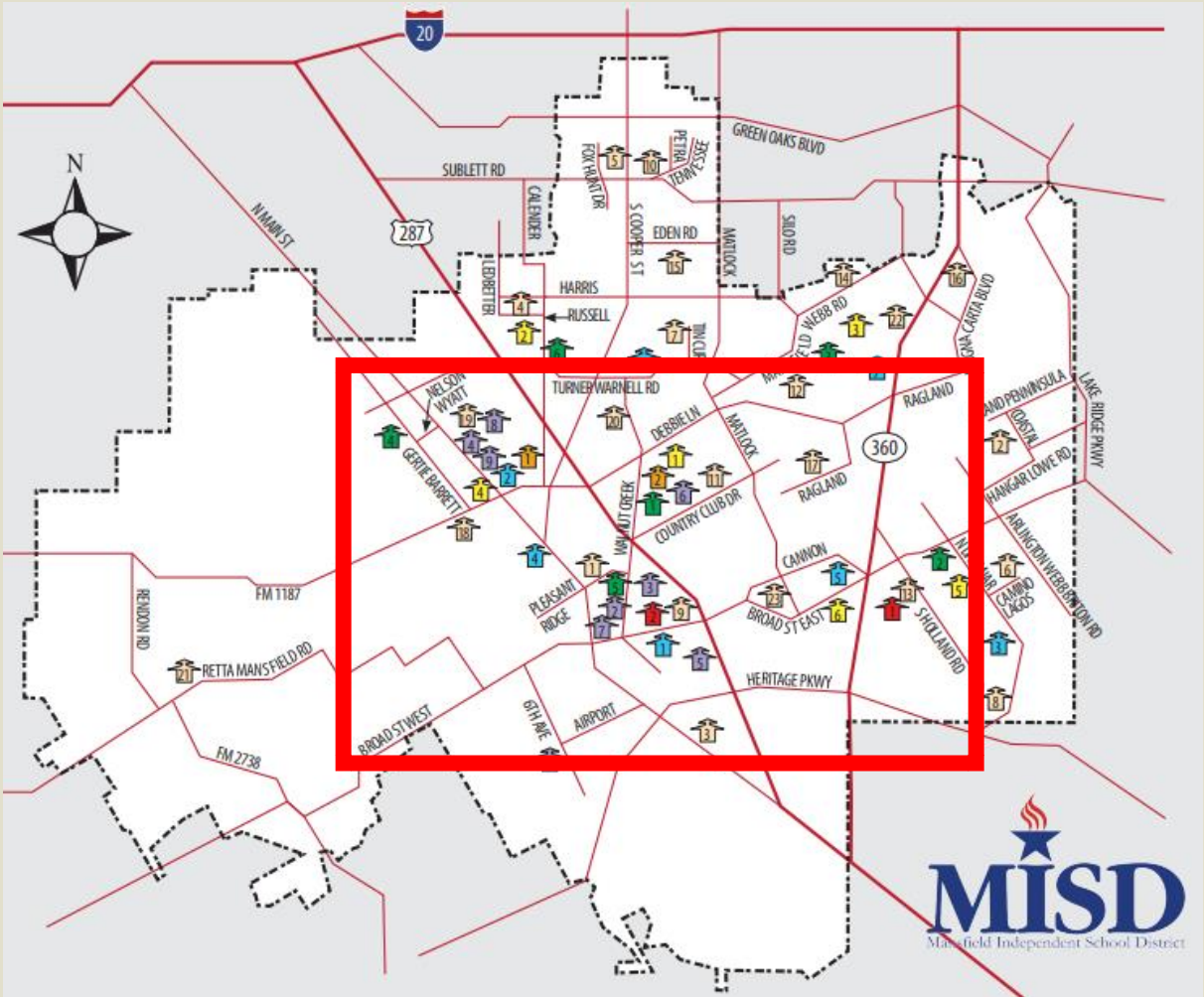
QUESTIONS?



Mansfield ISD



Mansfield ISD





Four Categories of Food Waste

1. Food Spoilage
2. Plate Waste (uneaten meals / milks)
3. Recipe Execution
4. Yield Factor (heels of bread, rinds of watermelon)

What Leads to Food Spoilage?

Equipment Failure

- Walk-in coolers and freezers
- Preventative maintenance

Over-ordering

- Manager Training
- Checks/Balances

Extenuating Circumstance

- School Cancellation

Communication

- Pop-up field trips or classroom parties

What Causes Plate Waste?



DOESN'T TASTE
GOOD



NOT ENOUGH TIME
TO EAT



CAN'T OPEN IT

Recipe Execution

- Using Wrong Recipe
- Incorrect Portion Size
- Cook Time – burned food
- Over production (leftovers)

Yield Factor



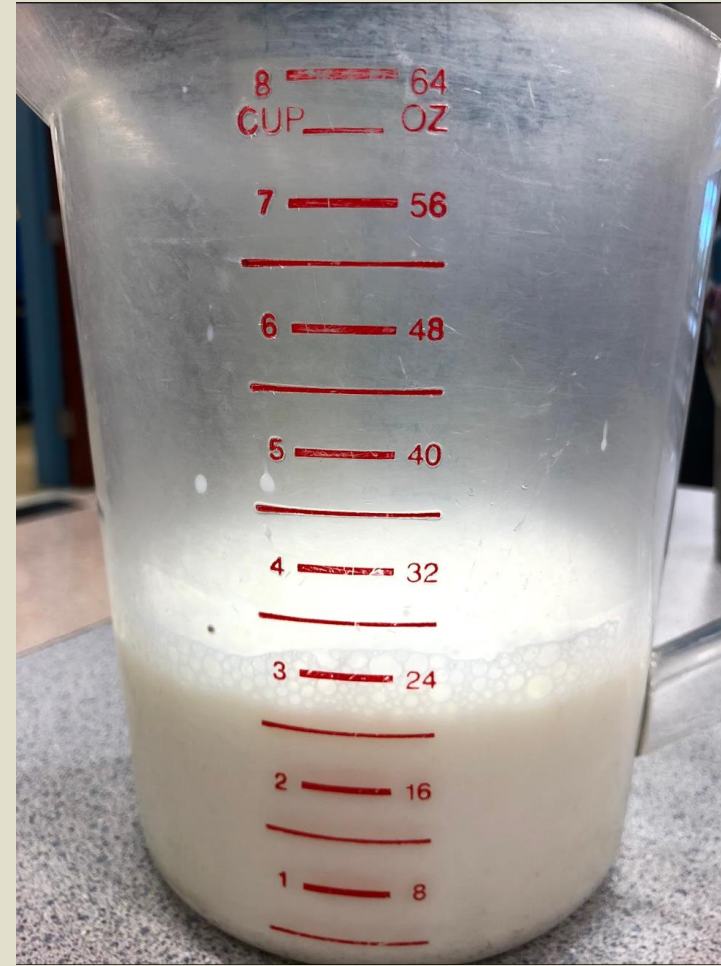
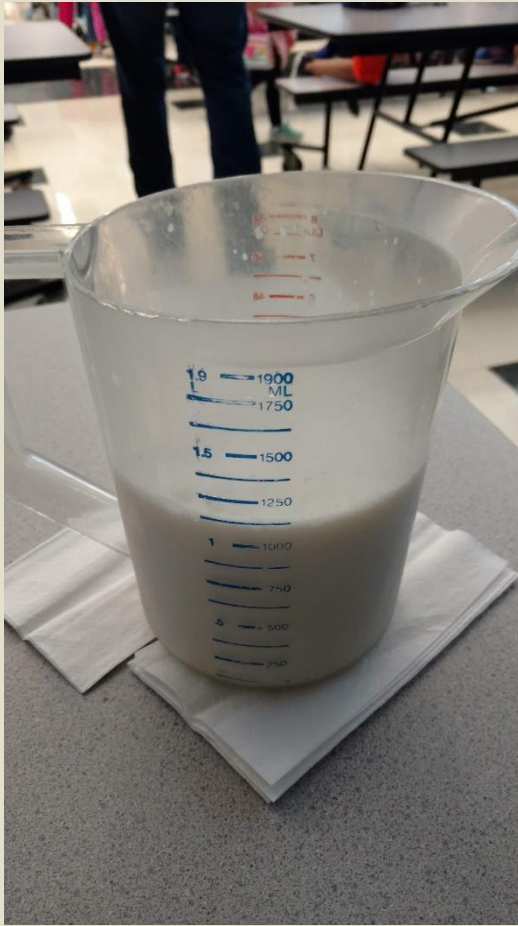
Milk in the Trashcan



PIVOTAL MOMENT



Pre-K Milk Study



Pre-K Milk Study



1/2 Cup per Kid



New Campus with required straight serve meal plan has 740 breakfast and lunch meals and 300 snacks



520 Cups of Waste per Day

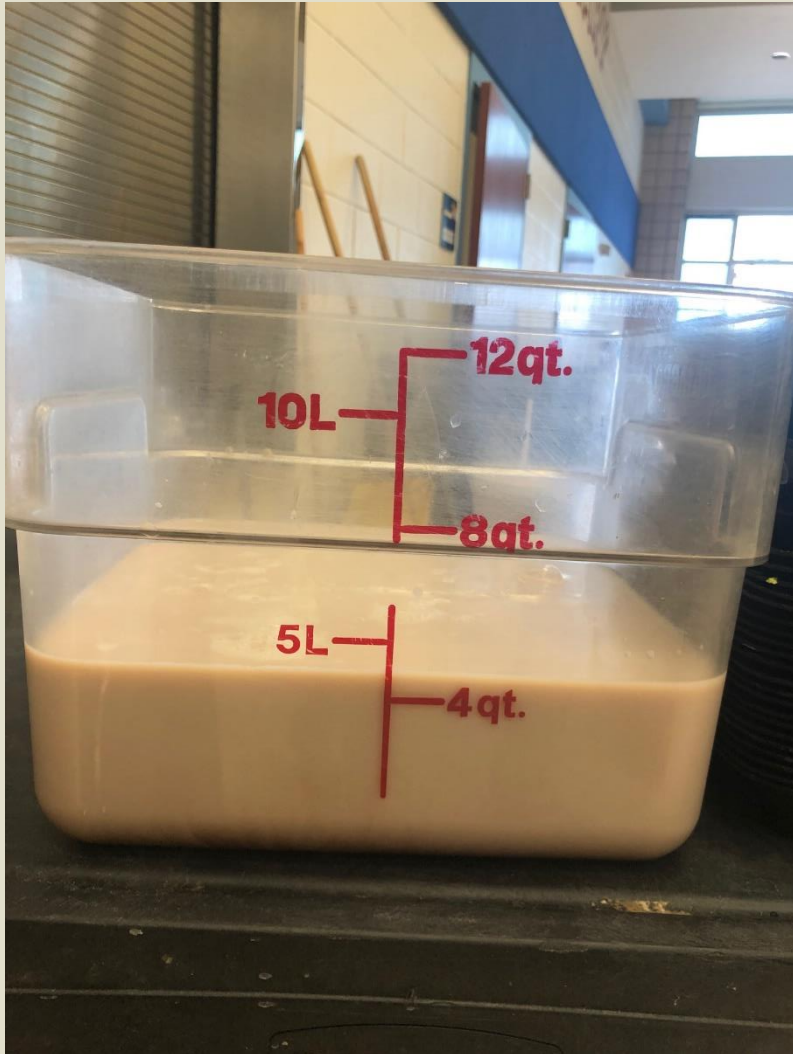


32 GALLONS of milk dumped in the drain everyday



Bulk Milk Pilot

Our First Day of Implementation



- Approximately 21 cups wasted for the entire lunch service on the first day of school.
- 330 kids purchased lunch that day
- 1.25 gallons total waste

Benefits of Bulk Milk

- We saved approximately \$285 per week (\$57/day) on invoices compared to average weekly invoice year prior
- \$57 x 172 days x 43 campuses
- Potential of \$420,000 savings every year



Other Benefits of Bulk Milk



KIDS LOVE THE TASTE



LEAVES MORE SPACE IN
TRASH CAN

Pre-K Meal Acceptability Study

- After we honed in on milk, we decided to tackle the menu.
- 2018-19, first year for 'straight service' regs for pre-k students
- Divided around district and took photos of the kids' trays right before they were being dumped in the garbage can.



Good Food, Real Food...
Better Consumption

Revise
recipes
that don't
work





Using Leftovers with Purpose

9/06/19	Walnut Creek	Spring	6 lb.	MM	spoiled
9/06/19	Walnut Creek	Cherry Tomatoes	6 lb.	MM	spoiled. 9/16/19
9/6/19	Booder	Galton Milk	1 gallon	MM	spoiled.
9/9/19		Blueberries.	3 cases.	MM	spoiled.
9/9/19		Celery	1 bag	MM	spoiled.
9/10/19	Walnut Creek	Carrots	1 1/2 bags	MM	spoiled
9/12/19	ZABAH	Hamburger Patties	120	MM	BURNED
9/13/19	Borden	CHOC. MILK	1	MM	Slipped off car
9/13/19	Borden	Apple juice	1	MM	Slipped off car
9-13-19		Flatbread	6 bags	MM	Molded
9/16/19	Chicken Pate	Chicken Pate	95	MM	MOLDED
				MM	MOLDED

Accountability

QUESTIONS?





TEXAS DEPARTMENT OF AGRICULTURE COMMISSIONER SID MILLER

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