

Recipe and Batch Costing

How-to guide: what the workbook does, how to use it and what every number means.

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Recipe and Batch Costing

Cost every recipe from ingredients, yield, labour, overhead and packaging: cost per pack, margin and the price for your target.

For: Owners, production managers and cost accountants at food, beverage, cosmetics and chemical batch makers.

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Quick start

1. On Setup, type your company name, currency, labour and overhead rates and margin target, then replace the example ingredients with your purchase prices (per kg or per lb).
2. On Recipes, add one row per product: yield, batch time and crew, pack size, packaging cost and selling price per pack, and planned batches per month.
3. On Recipe Lines, add each recipe's ingredients with the quantity per batch.
4. Read the Check columns: anything other than OK names the problem in words.
5. Open the Dashboard to see margins, the recipes below target and where the ingredient money goes.

What is in the workbook

Start Here	Read this first: what the workbook does and how to use it.
Setup	Company, currency, labour and overhead rates, margin target, and ingredient prices.
Recipes	One row per recipe: yield, batch time, packaging and price; cost per kg, per pack and margin.
Recipe Lines	One row per ingredient per recipe: quantity per batch and its cost.
Dashboard	Margins on planned volume, cost per pack by component, recipes below target and where the ingredient money goes.
Method	How every number is calculated, with assumptions, limits and sources.
Verify	Self-check: the workbook's formulas recomputed on fixed inputs against an independent reference.

What each number means

Quantity	How it is calculated	Units
Price per kg	Purchase price, or price per lb / 0.45359237.	currency/kg
Quantity (kg), line cost	Quantity converted exactly (g / 1000, lb x 0.45359237, oz x 0.028349523125); x price per kg.	kg, currency
Charged mass, material cost	Sums of the recipe's lines on Recipe Lines.	kg, currency/batch

Quantity	How it is calculated	Units
Saleable mass, packs	Charged mass x yield; saleable mass / pack size.	kg, packs
Labour, overhead, packaging	Batch time x crew x labour rate; batch time x overhead rate; packs x packaging per pack.	currency/batch
Batch cost	Material + labour + overhead + packaging.	currency/batch
Cost per kg, per pack	Batch cost / saleable mass; batch cost / packs.	currency
Gross margin	(Price per pack - cost per pack) / price per pack. Status against the target on Setup.	%
Price at target	Cost per pack / (1 - target margin).	currency/pack
Dashboard figures	Margin on planned volume = sum of (price x packs - batch cost) x batches / sum of price x packs x batches; spend = line cost x batches, ranked with COUNTIF (helper columns AN:AP, hidden).	%, currency

Assumptions, limitations, sources and the self-check (the Verify sheet, which recomputes the workbook's formulas on fixed test inputs) are in the workbook. The last page shows the Dashboard with the example data for Larkfield Kitchens, a fictional business.

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Engineering estimates for planning and improvement work. Verify the results against your own process, data and standards before you rely on them.

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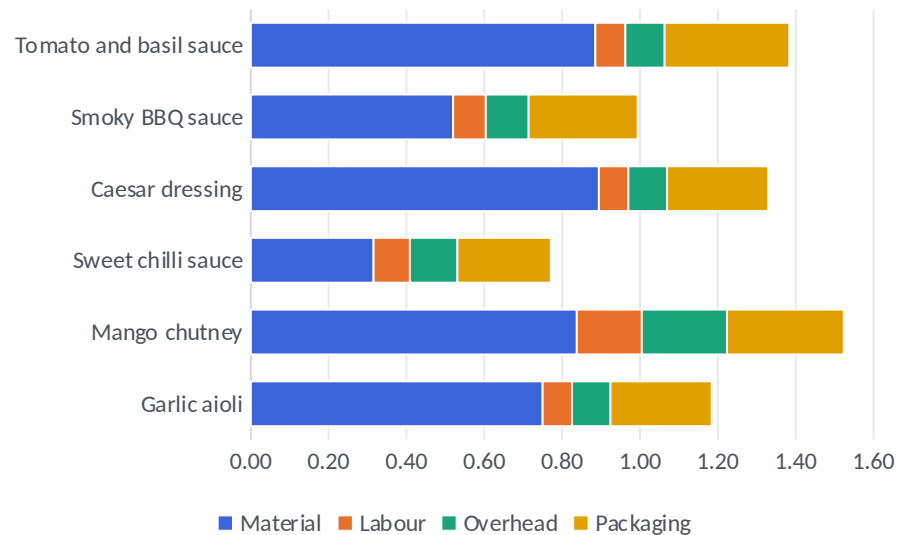
Margins on planned volume, cost per pack by component, recipes below target and where the ingredient money goes.

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Money in GBP. Monthly figures use each recipe's planned batches per month on the Recipes sheet. 6 recipes, 48 recipe lines.

GROSS MARGIN ON PLANNED VOLUME	GROSS PROFIT PER MONTH (GBP)	INGREDIENT SPEND PER MONTH (GBP)	RECIPES BELOW OR NEAR TARGET
34.7%	19,555	21,644	2
Target 30.0%	Planned batches x (revenue - batch cost)	Planned batches x material cost	See Margin status on Recipes
On target			

Cost per pack by component



Gross margin by recipe

