

Ingredient Cost Calculations:

The following is designed to illustrate how PKM calculates cost for each recipe ingredient. The exact algorithms the software uses are contained within the code.

Food Cost Per Recipe Ingredient:

Step 1: **Calculate Edible Portion Cost (EPC) per Invoice Unit:** $\text{EPC per IU} = (\text{Invoice Price} / \text{Yield \%})$

Step 2: **Convert EPC per Invoice Unit to Cost per Recipe Unit Using:**
 a) Standard within measurement family (Weight / Volume / Count) conversions
 and / or
 b) Individual ingredient item Unit conversions

Step 3: **Calculate Total Ingredient Cost = Cost Per Recipe Unit x Recipe Quantity**

The following is a demonstration of the cost calculations for select ingredients in a recipe:

Ingredients	Ingredient		Calculate Edible Cost Per Invoice Unit: Divide Invoice Cost by Yield Factor		Convert Edible Portion Cost per Invoice Unit to Cost Per Recipe Unit: Step 1		Convert Edible Portion Cost per Invoice Unit to Cost Per Recipe Unit: Step 2		Calculate Recipe Cost: multiply cost per recipe unit x recipe quantity
	Amount	Units							
flour, all-purpose	4	oz	5.00	per bag	0.50	per lb	0.03	per oz	\$ 0.13
shallots	2	tbl	2.50	per lb	0.21	per ea	0.10	per tbl	\$ 0.21
wine, white	6	fl oz	9.00	per bottle	0.26	per fl oz			\$ 1.59
butter, unsalted	2	oz	2.00	per lb	0.13	per oz			\$ 0.25
lemon	12	wedge	23.75	per case	0.25	per ea	0.03	per wedge	\$ 0.38

The following is a demonstration of the cost calculations for select sub-recipes used in a recipe:

Sub-Recipes	Ingredient		Convert Total Sub-Recipe Cost to Cost Per Yield Unit		If Sub-Recipe Yield Unit and Recipe Unit not the same, convert to Recipe Unit		Calculate Recipe Cost: multiply cost per recipe unit x recipe quantity
	Amount	Units					
Clarified Butter	4	fl oz	0.17	per fl oz			\$ 0.67
Lemon Juice	2	fl oz	0.14	per fl oz			\$ 0.29
Brown Veal Stock	4	fl oz	0.19	per fl oz			\$ 0.76