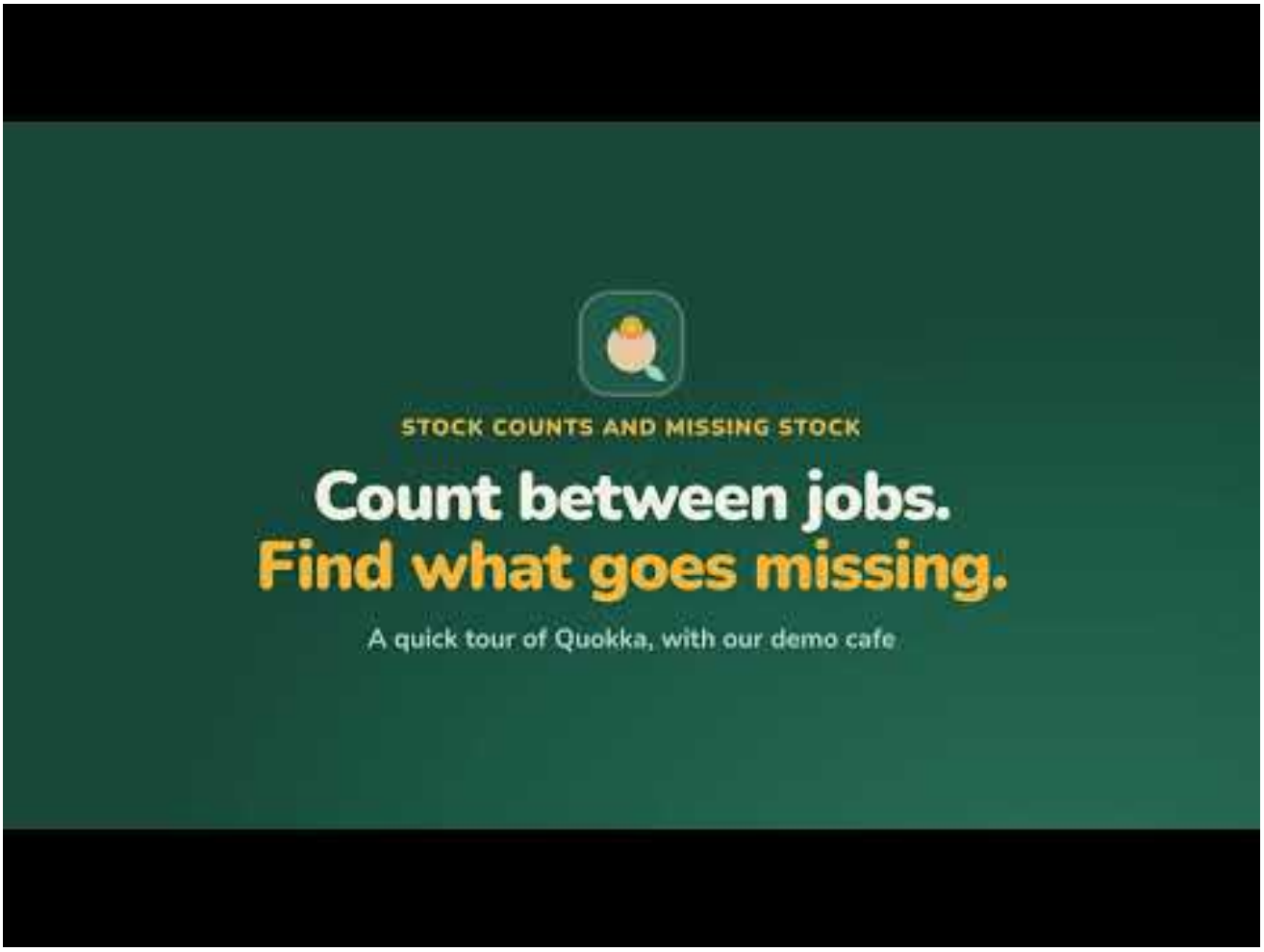
How to Price Drinks, Bakes and Brunch Dishes for Better Margins

Running a cafe means balancing creativity with commercial sense. A stunning pastry or a signature latte only works if the numbers behind it add up. Many cafes set prices based on what competitors charge or what "feels right", but that approach leaves profit on the table. A more reliable method is to build every menu item from its true cost, then check each dish or drink against a set of practical checks. This article gives you a clear list of points to review when you cost a recipe, whether it is a flat white, a sourdough loaf or a full brunch plate.

The core of a profitable menu

Every item on your menu has a cost that goes beyond its ingredients. You have packaging, energy, labour and a share of overheads such as rent and equipment depreciation. Yet the starting point is always the ingredient cost. If you do not know exactly what goes into a portion, you cannot know what to charge. A good **cafe recipe costing** system captures every gram or millilitre, accounts for waste during preparation, and updates when supplier prices change. Once you have that baseline, you can check the list below and adjust your recipes or prices with confidence.



What to check when you cost a recipe

1. Ingredient cost per unit

Buy a bag of flour and you need to know the cost per kilogram, not the bag price. The same goes for oil, spices and coffee beans. Write down the unit cost from the invoice and keep it in a recipe database so you can update it when suppliers change their prices. If you buy in bulk, recalculate the unit cost every time you open a new batch.

2. Portion size and yield

A recipe that makes four portions may actually yield three point five because of spillage, over-portioning or shrinkage during cooking. Always test the yield yourself. Weigh the finished dish or drink after preparation and divide the total ingredient cost by the real number of portions. A brownie tray that looks identical every day can vary in weight if the batter is not levelled. Small differences add up over a week.

3. Gross profit per item

Gross profit is the selling price minus the ingredient cost. Gross margin is that profit expressed as a percentage of the selling price. Both matter. A high-margin item such as a filter coffee can subsidise a lower-margin dish that draws customers in. But if an item has a gross margin below your target (common targets sit between sixty and seventy percent for most cafe items), you need to either raise the price, shrink the portion, swap an expensive ingredient or redesign the recipe.

4. Selling price vs. perceived value

Your price must sit within what the local market will pay. If your costed price puts a sandwich at nine pounds and the cafe next door sells a similar one for six fifty, you have a problem. You can either justify the difference with better ingredients or a larger portion, or you can adjust the recipe to bring the cost down. The checklist is not just about maths; it is about whether the customer feels they got value.

5. Menu mix and contribution

Not every item needs the same margin. A slow-selling special may have a high gross margin but contribute little to total profit if it only sells twice a day. Meanwhile, a popular pastry with a moderate margin may drive most of your profit. Look at the combination of margin and sales volume. If a dish has low margin and low sales, consider removing it or redesigning it. If it has high sales and low margin, the business may be working hard for little return.

Working with real numbers

Many cafes rely on spreadsheets or mental notes, but a dedicated recipe costing tool makes the process faster and less error-prone. When you enter your ingredients, portions and waste factors, the system shows you the gross profit and margin instantly. You can then run what-if scenarios: what happens if you swap cheddar for a cheaper brand, or if you increase the portion of bacon by ten grams. The goal is to find a sweet spot where the dish tastes good, looks generous and still hits your target margin.

Drinks: small tweaks, big effect

A latte costs more than espresso and milk. There is the cup, the lid, the sleeve, the stirrer and the syrup if flavoured. Coffee beans vary in price by origin and roast, and milk alternatives such as oat or almond cost more than dairy. Run the numbers on your bestselling drink. If you sell a hundred of those a day, a ten-pence saving on the cup or a five-millilitre reduction in syrup can add up to a significant monthly gain. But do not cut so much that the drink feels smaller or weaker. Customers notice.



For batch-brewed filter coffee, the cost per cup is low, so the margin can be high. Yet many cafes still underprice it because they think of it as a loss leader. Check the gross profit. If it is above seventy percent, you may be able to lower the price to drive more sales and still make good money on volume.

Bakes: precision matters

Baking is chemistry, and small variations in ingredients or method change the yield. A cake that uses expensive butter, free-range eggs and vanilla pods will cost more to produce than one using standard supermarket ingredients. But if the premium version lets you charge a higher price and customers buy it, the margin may be better. Test both versions. Also watch for waste: stale pastries that cannot be sold the next day eat into your profit. If you bake smaller batches or freeze some of the dough, you reduce waste and keep your ingredient cost per sale lower.

Brunch dishes: the cost of components

A brunch plate often has many elements: eggs, bread, meat or fish, vegetables, sauce and garnish. Each component needs its own costing. For example, a poached egg on sourdough with smashed avocado and a side of roasted tomatoes. The avocado cost varies by season and supplier. The bread may be baked in-house or bought in. The tomatoes may be fresh or tinned. Break the dish into its parts, cost each, and add them together. Then add a percentage for waste and a fixed amount for the labour of assembly and cooking. Only then do you have a realistic cost that you can use to set the selling price.

Keeping the data current

Supplier prices change. A bag of coffee that cost thirty pounds last month may be thirty-two this month. If you do not update your recipe database, your margin calculations drift. Set a regular reminder to review ingredient prices, ideally every time you receive an invoice. Some cafes update prices weekly. Others do it monthly. The important thing is that the numbers in your costing system match what you actually pay. A true cafe recipe costing practice relies on current data, not last year's spreadsheet.

Putting it all together

The checklist approach turns menu pricing from guesswork into a repeatable process. Start with the ingredient cost per portion. Check the yield. Calculate gross profit and gross margin. Consider the selling price relative to the market. Look at menu mix to see which items really drive profit. Adjust recipes or prices when the numbers are off. Review regularly. Over time, these checks become second nature, and your menu becomes a set of well-understood products that each pull their weight. The result is a more profitable, more sustainable cafe that gives customers good value and gives you a healthy return on the time and money you put into every plate and every cup.