



## Cost of Manufacturing Products Worksheet

This worksheet contains a table that can help you analyze your initial cost of goods. To determine cost of goods you will need to analyze your recipe, listing all of the ingredients that go into the recipe and the number of unit products that the recipe produces. You will also need to know the unit cost of packaging. In the Dog Biscuit example, below, the packaging includes bags, labels and boxes. In the case of a bottled salsa, the packaging might include jars, lids, labels, tamper proof seals and shipping boxes. To determine production costs you must also analyze the number of production hours it takes to prepare a certain number of units. This table is provided as an example. You can print this table out and fill in the blanks, or recreate the table in a spreadsheet. Once you've filled out the worksheet you will need to determine if your cost of goods ratio meets the industry standard for your type of product line. You may need to rethink your pricing strategy as you reach different economies of scale.

**Cost of Manufacturing Products**

	<b>Example</b>	<b>Your Product</b>	<b>Your Product</b>	<b>Your Product</b>	<b>Totals</b>
Product Name	Dog Biscuits				
Selling Price / Unit	\$2.65				
Est. % of Sales	100%				
<b>COGS</b>	<b>Product Cost/Unit</b>	<b>Product 1 Cost/Unit</b>	<b>Product 2 Cost/Unit</b>	<b>Product 3 Cost/Unit</b>	
Ingredients	\$0.33				
Inner Poly Bags	\$0.05				
Outer Printed Label	\$0.16				
Labels	\$0.20				
Shipping Box	\$0.08				
<b>TOTAL COGS</b>	<b>\$0.82</b>				
<b>PRODUCTION PER UNIT COSTS</b>					
Production Labor	\$0.64				
Labeling Labor	\$0.08				
Packaging Labor	\$0.24				
Distribution Costs	\$0.53				
Handling/Other	\$0.00				
<b>TOTAL OTHER COSTS</b>	<b>\$1.49</b>				
<b>TOTAL COGS + OTHER</b>	<b>\$2.31</b>				
<b>GROSS PROFIT</b>	<b>\$0.34</b>				
<b>COGS % TO WHOLESALE</b>	<b>87%</b>				