UF IFAS Extension
UNIVERSITY of FLORIDA

CANNING BUDGET WORKSHEET

SPECIFICATIONS

Product Name:	Jar Size:
Method:	Jars per Batch:

INGREDIENT COSTS

Ingredient	Amount Purchased	Cost of Purchase	Nbr of Batches	Cost per Batch
Total				

List ingredients, amount purchased, and cost of purchase. Estimate the number of batches you could make from the amount purchased. Divide the Cost of Purchase by the Nbr of Batches to get the Cost per Batch for each ingredient. Sum the cost per batch for each ingredient to get the total ingredient costs per batch.

JAR COSTS

Item	Amount Purchased	Cost of Purchase	Nbr of Batches	Cost per Batch
Total				

Fill in this table if the jars will be sold and not returned. List jar items (including jar size, lids, bands, and labels) along with the amount purchased and cost of purchase for each. Calculate the number of batches you could make with the amount purchased. Divide Cost of Purchase by Nbr of Batches to get the Cost per Batch. Sum the cost per batch for each item to get the total jar costs per batch. If you will reuse jars for multiple batches, leave this table blank and enter jar costs in the Durable Supply table below.

DURABLE SUPPLY & EQUIPMENT OWNERSHIP COSTS

Item	Original Cost	Nbr of Batches	Cost per Batch
Total			

Durable supplies and equipment are tools that will be used for multiple batches before being replaced. List durable supply and equipment ownership costs that are incurred for the canning business. Enter the original cost (purchase price) and the number of batches you expect to produce (of all products) with the tool before replacing it. Divide the original cost by the number of batches to get the cost per batch. If you will (re)sell the item after using it, subtract the resale value from the original cost before dividing by the number of batches. If the tool would be owned with or without the canning business, no cost needs to be entered for the item here. Sum the cost per batch for each item to get the total supply costs per batch.

EQUIPMENT OPERATING COSTS

Item	Operating Unit	Cost per Unit	Units per Batch	Cost per Batch
Total				

List the equipment items that have operating (power) costs. Enter the operating unit (the unit on which operating costs are assessed), the cost per operating unit, and the number of operating units used per batch. Multiply the cost per unit by the units per batch to get the cost per batch. Sum the cost per batch for each item to get the total equipment operating costs per batch.

LABOR HOURS

Activity	Hours per Batch	Cost per Batch
Preparation time		
Processing time		
Marketing time		
Total		

Estimate labor hours per batch, broken down by preparation, processing, and marketing time. Sum the hours for each to get the total labor hours. If any labor is paid, list the labor costs and sum to get the total labor cost per batch. Otherwise leave cost column blank.

COST SUMMARY

Item		Total per Batch
Ingredient Costs		
Jar Costs		
Equipment Operating Costs		
Labor Costs		
Variable Costs		
Durable Supply & Equipment Ownership Costs		
Total Costs		
Variable Cost Per Jar:		
Total Cost Per Jar (Break-Even Price):		

Enter totals from other tables here. Variable costs per batch are the sum of ingredient costs, jar costs, equipment operating costs, and labor costs per batch. Total costs per batch are the sum of all five cost types per batch. To calculate the cost per jar (break-even price), divide the total costs per batch by the number of jars per batch.

SALES REVENUE

Market	Price per Jar	Jars Sold	Revenue per Batch

Enter the selling price per jar & jars sold per batch. Multiply the price per jar times the number of jars sold to get the revenue per batch.

PROFITABILITY ANALYSIS

Metric	Per Batch	Per Jar	Per Labor Hour
Net return over variable costs			
Net return over total costs			
Minimum number of batches to payoff initial supply and equipment ownership cost:			

Subtract variable costs per batch from revenue per batch to get net return over variable costs per batch. Subtract the total costs per batch from revenue per batch to get net return over total costs. Divide by the number of jars per batch to get net returns per jar. Divide by the total labor hours to get net returns per labor hour. To calculate the minimum number of batches to payoff initial supply and equipment ownership costs, divide the total original cost of the durable supplies and equipment by the net return over variable costs per batch. This estimate assumes the useful life of supplies and equipment is at least as long as the minimum number of batches.

EXAMPLE

SPECIFICATIONS

Product Name:	Strawberry Jam	Jar Size:	Half-Pint Jars
Method:	Boiling-Water Method	Jars per Batch:	8

INGREDIENT COSTS

Ingredient (Recipe Amount)	Amount Purchased	Cost of Purchase	Nbr of Batches	Cost per Batch
Strawberries (2 quarts)	2 quarts	$10.00	1	$10.00
Sugar (7.5 cups)	10-pound bag	$9.00	3	$3.00
Powdered Pectin (1 package)	2-pack box	$3.00	2	$1.50
Lemon Juice (2 fluid ounces)	16 fl.oz. bottle	$4.00	8	$0.50
Total				**$15.00**

List ingredients, amount purchased, and cost of purchase. Estimate the number of batches you could make from the amount purchased. Divide the Cost of Purchase by the Nbr of Batches to get the Cost per Batch for each ingredient. Sum the cost per batch for each ingredient to get the total ingredient costs per batch.

JAR COSTS

Item	Amount Purchased	Cost of Purchase	Nbr of Batches	Cost per Batch
Half-pint jars with lids & bands	12-count	$12.00	1.5	$8.00
Labels	60-count	$6.00	7.5	$0.80
Total				**$8.80**

Fill in this table if the jars will be sold and not returned. List jar items (including jar size, lids, bands, and labels) along with the amount purchased and cost of purchase for each. Calculate the number of batches you could make with the amount purchased. Divide Cost of Purchase by Nbr of Batches to get the Cost per Batch. Sum the cost per batch for each item to get the total jar costs per batch. If you will reuse jars for multiple batches, leave this table blank and enter jar costs in the Durable Supply table below.

DURABLE SUPPLY & EQUIPMENT OWNERSHIP COSTS

Item	Original Cost	Nbr of Batches	Cost per Batch
Canning pot & rack (or pressure canner)	$30.00	60	$0.50
Canning kit, including	$20.00	20	$1.00
Canning funnel			
Jar lifter/tongs			
Jar wrench			
Lid wand			
Bubble spatula			
Pyrex measuring cups	$10.00	50	$0.20
Ladle	$10.00	50	$0.20
Knife	$10.00	50	$0.20
Slotted Spoon	$10.00	50	$0.20
Stove	$0.00		$0.00
Total	**$90.00**		**$2.30**

Durable supplies and equipment are tools that will be used for multiple batches before being replaced. List durable supply and equipment ownership costs that are incurred for the canning business. Enter the original cost (purchase price) and the number of batches you expect to produce (of all products) with the tool before replacing it. Divide the original cost by the number of batches to get the cost per batch. If you will (re)sell the item after using it, subtract the resale value from the original cost before dividing by the number of batches. If the tool would be owned with or without the canning business, no cost needs to be entered for the item here. Sum the cost per batch for each item to get the total supply costs per batch.

EQUIPMENT OPERATING COSTS

Item	Operating Unit	Cost per Unit	Units per Batch	Cost per Batch
Stove, electric usage	kwh	$0.12	3	$0.36
Total				**$0.36**

List the equipment items that have operating (power) costs. Enter the operating unit (the unit on which operating costs are assessed), the cost per operating unit, and the number of operating units used per batch. Multiply the cost per unit by the units per batch to get the cost per batch. Sum the cost per batch for each item to get the total equipment operating costs per batch.

LABOR HOURS

Activity	Hours per Batch	Cost per Batch
Preparation time	1	$0.00
Processing time	1	$0.00
Marketing time	1	$0.00
Total	**3**	**$0.00**

Estimate labor hours per batch, broken down by preparation, processing, and marketing time. Sum the hours for each to get the total labor hours. If any labor is paid, list the labor costs and sum to get the total labor cost per batch. Otherwise leave cost column blank.

COST SUMMARY

Item		Total per Batch
Ingredient Costs		$15.00
Jar Costs		$8.80
Equipment Operating Costs		$0.36
Labor Costs		$0.00
Variable Costs	$24.16	
Durable Supply & Equipment Ownership Costs		$2.30
Total Costs		**$26.46**
Variable Cost Per Jar:		$3.02
Total Cost Per Jar (Break-Even Price):		$3.31

Enter totals from other tables here. Variable costs per batch are the sum of ingredient costs, jar costs, equipment operating costs, and labor costs per batch. Total costs per batch are the sum of all five cost types per batch. To calculate the cost per jar (break-even price), divide the total costs per batch by the number of jars per batch.

SALES REVENUE

Market	Price per Jar	Jars Sold	Revenue per Batch
	$4.00	8	$32.00

Enter the selling price per jar & jars sold per batch. Multiply the price per jar times the number of jars sold to get the revenue per batch.

PROFITABILITY ANALYSIS

Metric	Per Batch	Per Jar	Per Labor Hour
Net return over variable costs	$7.84	$0.98	$2.61
Net return over total costs	$5.54	$0.69	$1.85

Minimum number of batches to payoff initial supply and equipment ownership cost:	11

Subtract variable costs per batch from revenue per batch to get net return over variable costs per batch. Subtract the total costs per batch from revenue per batch to get net return over total costs. Divide by the number of jars per batch to get net returns per jar. Divide by the total labor hours to get net returns per labor hour. To calculate the minimum number of batches to payoff initial supply and equipment ownership costs, divide the total original cost of the durable supplies and equipment by the net return over variable costs per batch. This estimate assumes the useful life of supplies and equipment is at least as long as the minimum number of batches.