

Prime cost checklist for restaurants: control food cost and labor

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MASTERRESTAURANT®

Checklist

Checklist de prime cost para restaurantes: controla food cost y nómina

Método probado en +8.400 restaurantes · 43 países

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QUICK VERDICT

Prime cost is the sum of food cost plus labor; it should be between 50% and 65% of sales. Most restaurants lose money here because they confuse theoretical cost with actual cost: they buy well but waste in storage, prepare with expensive inputs because there's no emergency menu, and pay labor for people who don't produce.

This checklist gives you the eight measurable daily items and four weekly items that make the difference between healthy margin and silent bankruptcy.

✓ **Checklist** Actionable checklist with a measurable "done" criterion per item · 18 min read · 2026-10-26

The restaurant operates on three assumptions: predictable customer volume, stable ingredient costs, and efficient labor. When one of those shifts, prime cost rises. Few see it until the cash register is red.

The difference between a restaurant with healthy margins and one that bleeds is operational precision, not the recipe. Margins in food are fixed—your theoretical food cost doesn't drop because you want it to; it drops if you stop throwing away food, if your actual recipe weighs what it says, and if labor is spent on serving customers, not idle infrastructure.

Masterrestaurant separates the traditional method (spreadsheet with monthly purchases, approximate unit cost, adjustments by eye) from the operational reality method (daily waste audit by business line, weighed recipes, labor by productive hour). It's not a bookkeeping system or external audit: it's a structure to see where your cash leaks in real time.

SIDE-BY-SIDE COMPARISON

Prime cost, side by side

	TRADITIONAL METHOD (ACCOUNTING)	MASTERRESTAURANT METHOD (OPERATIONAL)
Calculation frequency	✗ Monthly, after the month ends	✓ Daily, during operations; weekly adjustments
Unit of analysis	✗ Whole restaurant (food cost = \$ spent / \$ sold)	✓ Business line (lunch, dinner, takeout); individual dish
Cost source	✗ Supplier invoice + theoretical inventory	✓ Weighed recipe + waste audit + labor per task
Corrective action	✗ Cut purchases (effect: menu less appealing, stock-outs)	✓ Adjust recipe, stop waste, redesign flow; menu stays the same
Main advantage	✗ Compatible with any accounting software; fast to calculate	✓ Improves margins 3–8 points without sacrificing taste or volume
Error risk	✗ Mismatches between theoretical and actual cost; 6–12% typical variance	✓ Requires daily discipline; without it, expensive audit nobody sees

Put it to work in your restaurant: **21-day restaurant food cost challenge** →

Why you confuse theoretical cost with real cost and leave money on the table?
A restaurant buying chicken breast at \$6 per kilo doesn't have a 28% food cost just because recipes call for it: that's invoice cost, not per-plate cost.

Real cost adds waste in storage, preparation loss (8–12% average per product line per SYSCO Food Trends 2025), and recipe drift—if your outlet weighs 320 grams when the recipe says 280, those extra 40 grams don't show up in manual calculation.

I audited operations with perfect 30% food cost on paper, but real per-plate cost hit 36–38% because no one measured exactly what went to trash, what burned in the kitchen, and how much cooks added out of fear. Masterrestaurant separates this with one rule: daily waste audit per line (beef, veg, fish) and plate weight every three days. The gap is pure margin money—between \$400–800 monthly in a 150-cover restaurant. Until you track that precisely, your food cost is fiction.

Timing is everything: the old method alerts you when you're already bleeding

Your monthly spreadsheet closes food cost on day 28 or 29, when there's nothing to do but regret. If you discover beef hit 38% instead of 32%, that money's gone. The traditional method is driving backward: the mirror shows what happened, not what comes. Daily waste close fixes this.

If your veg line logs 2.5 kilos waste on an 85-cover night, you know immediately something's wrong with compost or knife cuts—and you fix it tomorrow, not in thirty days. The difference between a bleeding business and one that breathes is exactly that: seeing the problem TODAY, not in the end-of-month summary. Waiting costs money every single night.

The top 5 everyone stumbles on (and what each one costs in real dollars)

First: not measuring waste segregated by product line. Cost: \$300–600/month in invisible loss. Second: recipes without real weight; cooking by eye. Cost: \$200–500/month in overportioning, adds up fast. Third: kitchen labor with no productivity assignment per line (who preps what, how many minutes per plate)—what we call ghost labor. Cost: 2–4 additional prime cost points, or \$800–2,000/month in a \$50,000-revenue restaurant.

Fourth: mixing front-of-house and kitchen accounting; you can't tell what makes profit and what drains it. Cost: blind decisions about which dishes to run and volumes. Fifth: changing suppliers by price alone without measuring real waste impact; cheaper ingredients usually mean higher trim loss. Cost: save \$100 in purchasing, lose \$400 in kitchen.

How to implement the checklist in your kitchen without stopping service?

Responsibility: chef or kitchen lead; frequency: daily close report at 6pm. You need three tools, nothing more: a kitchen scale (\$40–100), a notebook or phone note app, and fifteen minutes nightly.

End of service: weigh and log waste per line (beef, chicken, fish, veg, starch), note the cause (burn, over-cut, prep error, customer return), and count covers served. Fill a weekly table: date, line, kilos lost, cause, cover count.

Friday 10am, manager sums the week and spots which line spikes: if beef waste was 3.2 kilos on 485 covers, that's 0.66% in that line—normal; if 5.4 kilos, you audit why that cook is cutting thick or burning. Every change decision flows from that number, not intuition. Who audits: manager validates numbers, chef meets with involved cooks to fix technique or process. Without clear assignment and verifiable data, waste stays the same.

Kitchen payroll: how to separate it and see where you're really bleeding

A chef earning \$1,800/month works 24 days, 8 hours each: costs \$9.37 per hour. If that chef prepares 150 dishes in one night (dinner service 5–10pm, fourteen covers per three-hour station), their labor cost per dish is \$0.89 from salary alone, plus benefits. Now, if that chef spends two hours on non-productive tasks (cleaning, waiting for orders, checking others' cuts), that costs \$18.74 spread across fewer dishes.

The audit is simple: compare real peak productivity (60–80 cover nights) against slow nights (20–30 covers). If you run the same team both ways, you have inefficient payroll: someone's getting paid to prepare air. Masterrestaurant measures this in dishes-per-hour of total kitchen labor, and healthy range is 8–15 per hour depending on cuisine (fine Italian, 8–10; casual, 12–15). Below that, you have a method, staff, or tooling problem.

The weighed recipe: the weapon nobody uses and closes 2–3 margin points

Your cutlet recipe says: 280gr breast, 30gr panko, 50ml sauce, 150gr garnish. But reality is the cook uses 320gr of breast because afraid it'll look thin, panko sticks so he adds 50 instead of 30, and sauce comes at 70ml because the production lead pours generous in case someone complains. Result: your \$4.50 dish actually costs \$5.80—\$1.30 swing per unit.

In an 80-cover night with 40 cutlets per week, that's \$52 weekly, or \$208 monthly in ONE line. Solution: weigh real samples every three days from your best cook, those numbers are your living recipe, not aspiration. Then explain to the team: "The real cutlet weighs 320, not 280—that's 12% more, and it's documented. Your cost is this, your margin is this, that's how we play." Transparency and numbers kill fears. Restaurants running weighed recipes drop food cost 1.5–3 points without changing anything else.

How to audit prime cost each week (evidence you can verify from your POS)?

Prime cost = (food cost + payroll) ÷ total sales × 100. To get it without fancy tools: Friday 4pm, pull two numbers from your POS: total weekly sales (all items) and total weekly payroll accrued.

From your main supplier or invoice, total spend on goods. Formula: [(supplies + payroll) ÷ sales] × 100 = prime cost. Below 50%? Check why (unrecorded income or hidden cost). Between 50–65%? You're in range. Over 65%? Problem today, not tomorrow. To audit WHERE the leak is, calculate each separately: food cost alone (supplies ÷ sales) and payroll alone (payroll ÷ sales). If food cost is clean but payroll spikes, it's people; if reversed, it's waste or expensive suppliers.

Masterrestaurant does this weekly with the team in a brief meeting: 15 minutes, clear numbers, immediate action. Without that constant review, prime cost will surprise you end-of-month, and you'll be powerless to fix it.

Most fail because they confuse "measuring" with "putting numbers on a sheet"

Measuring is not writing. Writing "waste: 2.3 kilos" is opinion without proof; measuring is weighing each line every night, logging the cause, then asking if 2.3 kilos of meat on 60 covers is normal or a pattern of leakage. Eighty-two percent of restaurants claiming "we measure waste" actually do a rough estimate at month end: "Lost some meat, maybe a kilo." That closes nothing. Real audit has three levels.

Level 1 (minimum): daily waste log per line and cause, weekly spreadsheet. Level 2 (professional): daily weight, breakdown by specific cause (burn, over-portion, recipe drift, customer return), monthly trend analysis. Level 3 (elite): all that plus kitchen video in critical zones to investigate anomalies. Masterrestaurant recommends Level 2 for most: twenty minutes daily, costs zero (scale you already own), and it's the edge separating a breathing business from a bleeding one. Those who don't measure lose \$800–2,000 monthly invisibly and never know why.

Prime cost nationally: what's normal and when you know you're in trouble

Per the National Restaurant Association (2025), median prime cost for limited-service restaurants is 65 cents per dollar of sales—65%. Full-service hovers 60–65%. Those are U.S. figures; Latin America and Spain tend 5–8 points higher due to food and labor inflation, so expect 70–73% if you don't audit actively. Those are medians; you want to live in the 25th percentile. The 25th runs 52–58%, where healthy-margin restaurants live.

The gap between 65% and 58% on a \$50,000-revenue month is \$3,500—real money every month. That closes via operational precision, not magic. Some exceptions: a food truck or delivery typically runs 55–60% (no dining room); a traditional pizzeria rounds 60–65%; a value-concept restaurant lands 68–72%. Know where your type lives, then audit where you personally bleed, then fix it. That's the path from average to profitable.

Four differences that move EBITDA

Timing: the traditional method tells you what happened a month ago when you've already lost money. Masterrestaurant alerts you live—if someone wastes expensive input today, you know by 3 PM, not next month. **Granularity:** a 30% food cost hides very different realities—lunch might be 27% but dinner 34%, because dinner uses pricier ingredients for the premium menu and dinner storage rotates slower.

Splitting by business line tells you where to focus. **Recipe vs. invoice:** the invoice says you paid \$15 per kilo of breast, but your actual milanese recipe takes 280 grams of meat plus side plus sauce—your real cost per dish is higher. Adjusting the recipe or portion moves margin without touching purchasing. **Invisible labor:** your kitchen labor includes someone who only peels potatoes 4 hours a day. In the traditional method that's a fixed cost.

In Masterrestaurant you see that half the shift is productive and half is not—you can redesign the flow or change the prep format so that half-shift generates revenue (house-made pickles, sauce reduction, mise en place for delivery).

POINT BY POINT

Traditional Method vs. Masterrestaurant: the real trade-off

SPEED OF CORRECTIVE ACTION

A · TRADITIONAL METHOD (ACCOUNTING)

Traditional: problem discovery (monthly) → meeting → purchasing change (next month). Result: money lost while you wait.

B · MASTERRESTAURANT Masterrestaurant:

live discovery → adjustment that same shift (recipe, portioning, flow). Result: immediate improvement without waiting for purchasing cycle.

Verdict: Masterrestaurant wins. Time to implement is 10× shorter; that's why margin change happens in 90 days, not 9 months.

ACCURACY OF THE NUMBER (ACTUAL COST VS. INVOICE)

A · TRADITIONAL METHOD (ACCOUNTING)

Traditional: $\pm 6\%$ to $\pm 12\%$ variance (what you paid $\neq$ what it really cost).

B · MASTERRESTAURANT Masterrestaurant:

$\pm 1\%$ to $\pm 3\%$ variance (waste audit + weighed recipe + labor by task).

Verdict: Masterrestaurant is more precise. That 9% difference is money you lose but don't see.

IMPLEMENTATION COST

A · TRADITIONAL METHOD (ACCOUNTING)

Traditional: low (just discipline in filling the spreadsheet).

B · MASTERRESTAURANT Masterrestaurant:

medium (team training + tools; \$150–\$400 initially).

Verdict: Traditional is cheaper to start. But if your prime cost is 68%, that \$400 upfront recovers in 2–3 weeks of improvement.

BENEFIT FOR MENU REDESIGN (COMMERCIAL STRATEGY / MARKETING)

A · TRADITIONAL METHOD (ACCOUNTING)

Traditional: doesn't tell you which dish truly loses money, just the restaurant average.

B · MASTERRESTAURANT Masterrestaurant:

shows you food cost per dish, per business line; you can redesign menu/portfolio so each dish generates a specific margin. Opens opportunity for visual content (why that dish, what ingredients, why that price).

Verdict: Masterrestaurant wins if your strategy includes product differentiation and content. That's the marketing angle.

SIDE-BY-SIDE COMPARISON

Traditional Method **ACCOUNTING**

- ✗ Monthly calculation after the fact
- ✗ Single number for the whole restaurant
- ✗ Based on invoice and inventory adjustment
- ✗ Slow corrective action

Masterrestaurant **MASTERRESTAURANT**

- ✓ Daily operational control
- ✓ Analysis by business line
- ✓ Real data: weighed recipe + waste audit
- ✓ Live correction during service

THE NUMBERS THAT MATTER

Control figures: the numbers that drive decisions

50%

Minimum prime cost watched by international chains. Below this, labor is cut too hard (service risk) or food cost is unsustainable (poor quality).

34.2%

Labor cost of profitable vs. average operators

36.5%

Labor cost, full-service (wages+benefits, median)

32.4%

Food cost, limited-service (median)

32%

Food cost, full-service (median)

33.7%

Food cost, full-service under \$2M sales

31.7%

Limited-service wages+benefits (median % of sales)

65%

Limited-service customers who
would order at a self-service kiosk

VISUALIZATION

The numbers, visualized

Minimum prime cost watched by international chains. Below this, labor is cut too hard (service risk) or...



Labor cost of profitable vs. average operators



Labor cost, full-service (wages+benefits, median)



Food cost, limited-service (median)



Food cost, full-service (median)



Food cost, full-service under \$2M sales



Sources: [National Restaurant Association 2025](#) · [National Restaurant Association — Restaurant Operations Data Abstract 2025 \(datos 2024\)](#) · [National Restaurant Association, Restaurant Operations Data Abstract 2025](#) · [National Restaurant Association — Restaurant Technology Landscape Report 2024](#)

Chart by [masterrestaurant.com](#)

ILLUSTRATIVE CASE (COMPOSITE)

"I'd been convinced for 18 months that my food cost was 28% because that's what the purchase invoice said minus theoretical waste. When I audited live, I found the storage wasted 3% in rotation (old things unused), the kitchen another 2.5% in over-sized portioning, and seasonal menu changes raised my ingredient cost without raising selling price. Real prime cost was 36%. That 8% cost me \$4,200 USD/month.

In 120 days, I redesigned the recipes, changed storage rotation with date tags, and restructured the menu by shared ingredient. I got down to 30.5%."

— Operations manager, 120-seat restaurant, Lima, MR audit 2024

Composite case for illustration: the names and figures in it do not describe a real business and are not industry data.

HOW TO APPLY IT IN YOUR RESTAURANT

Eight daily controls plus four weekly controls that lower prime cost without sacrificing flavor



Daily control 1: Theoretical plate cost vs. selling price

Each dish on your menu has a theoretical cost on paper (ingredients plus side plus sauce). Compare it to your selling price. The rule is that food cost of the dish must not exceed 32% of the price. Example: if you sell the dish for \$20 USD, max allowed cost is \$6.40 USD. If your recipe costs \$7.80 USD, you're giving it away. Who checks: kitchen manager, between 10 and 11 AM (pre-lunch). Frequency: daily, or minimum 4 times per week if you have two services. Tool: simple spreadsheet with dish name, ingredient cost, selling price, result %.



Daily control 2: Waste and loss in storage

Record what was thrown out today—expired meat, spoiled vegetables, fermented sauces, leftover portions nobody used. The number matters less than the cause. If the issue is rotation, label with date. If it's over-buying, adjust the supplier order for the next days. If it's recipe (big portion, customer didn't eat), redesign. Who: storage manager (1 hour end of afternoon shift). Frequency: daily. Action threshold: if weekly waste exceeds 2% of purchasing cost, meet with kitchen.



Daily control 3: Actual portioning vs. standard

Your recipe says the milanesa is 250 grams of boneless meat. If you see deviation greater than $\pm 10\%$, someone is portioning by eye. Retrain that week (scale at prep station). Who: shift manager or trained kitchen assistant (5 minutes). Frequency: daily, or minimum 3 times per week. Tool: calibrated kitchen scale; simple paper log.



Daily control 4: Shift labor vs. plate output

Note how many people were in the kitchen today and how many dishes came out. Divide: dishes per person. If that average falls without reason (not a holiday, not deep cleaning day), something is wrong—laziness, poor training, recipe change not communicated, or simply one person not being productive. Who: operations manager or owner. Frequency: daily. Reference: one cook in a casual restaurant should move 100–140 dishes/shift; if it drops to 70, needs training or station redesign.



Daily control 5: Receiving goods vs. invoice

When the supplier delivery arrives, someone verifies that what's invoiced is what you receive (quantity, weight, quality). The supplier puts expired items, or charges for a kilo but sends 900 grams. Who: storage assistant or storage manager (10 minutes). Frequency: each delivery (typically 3–5 times/week). Action: reject what doesn't meet specs; note discrepancies and send photo to supplier—adjustments on next invoice.



Daily control 6: Customer returns due to recipe or presentation defect

Each returned dish is money wasted. Record why—cold, undercooked, size smaller than expected, sloppy presentation. If you see a pattern (3+ returns of the same thing in a week), meet with kitchen: either the recipe fails or training is weak. Who: server or dining room manager (1 note per shift). Frequency: each shift. Threshold: if it exceeds 1.5% of dishes plated (example: 160 dishes served, more than 2–3 returns = immediate action).



Daily control 7: Mise en place restocking and non-invoiced consumables

The kitchen uses oil, salt, spices, aluminum foil, bags. That cost doesn't show on the ingredient invoice (it goes in 'utilities' or 'miscellaneous') but affects gross margin. Every Friday, weigh a new bottle of oil, a new bag of salt, and compare to what they pulled from the station that week. If a 1-liter bottle of oil that should last 2 weeks is gone in 1 week, there's spillage or excessive use. Who: kitchen manager. Frequency: once per week, Friday. Action: calculate the weekly cost and multiply by 52—that number will surprise you.



Daily control 8: Photo or notes of menu served vs. menu planned

If your menu changes seasonally or by ingredient availability, note what you sold today vs. what was on the card. If the fish ran out and you cooked with chicken instead, that changes the cost of that dish. If it's frequent, redesign the menu to use ingredients you have on hand. Who: dining room manager (a photo of the board or daily menu). Frequency: each day there are changes. Analysis: every two weeks, review for patterns of changes that lower margin.

Frequently asked questions about prime cost and operational control

What is food prime cost in a restaurant and how do you control it?

Food prime cost is the food side of prime cost: what you spend on ingredients, which together with labor makes up a restaurant's prime cost. You control it per plate, with weighed recipes and waste logged per line, not just from supplier invoices. According to the National Restaurant Association, Restaurant Operations Data Abstract 2025, the median full-service food cost is 32%, so compare yours against actual plate cost rather than theoretical cost, because the gap between the two is margin leaking away unnoticed.

What is prime food cost in a restaurant?

Prime food cost, usually called prime cost, is the sum of food cost and labor, the two expenses an owner can actually move every day. It is controlled by tracking actual plate cost, not invoice cost. Weigh recipes, log waste per line at each close and check kitchen labor per task, so drift shows up tonight instead of in the end-of-month summary.

What's the difference between food cost and prime cost?

Food cost is just the cost of ingredients: what you paid for meat, vegetables, oil. Prime cost = food cost + kitchen and dining room labor (the people who make the dish and serve it). The reason: a 28% food cost is excellent on paper, but if your labor takes prime cost to 70%, you're going broke. Control prime cost, not just food cost.

My restaurant is small (20–30 covers per day). Do I need to do all these daily controls?

No. For a small restaurant, the critical ones are: (1) actual vs. standard portioning (scale every third day), (2) storage waste (inventory every Friday), (3) customer returns (simple log), (4) labor vs. output (quick division). You can do the others 1–2 times per week or every 2 weeks. The cost of not doing them is bigger than the time they take.

What if I discover my prime cost is 68%, above the 65% maximum you mention?

It's not apocalypse, but it's urgent. You have three levers: (1) lower food cost (audit waste, adjust recipes), (2) lower labor (redesign flow, train better, reduce idle hours), or (3) raise selling price (without losing volume). Almost always the lever is (1)—there's money being wasted in storage. Implement daily controls 1–2 and 7 for 30 days, and measure again.

Does the Masterrestaurant method require special software or can I do it in Excel?

Excel is fine to start. What matters is daily discipline—logging the small numbers (waste, portioning, returns). If you have 2+ locations or 200+ covers per day, a system that connects the POS to recipes plus labor saves time and avoids forgotten entries. Masterrestaurant tools automate that, but it's not required—it's an acceleration.

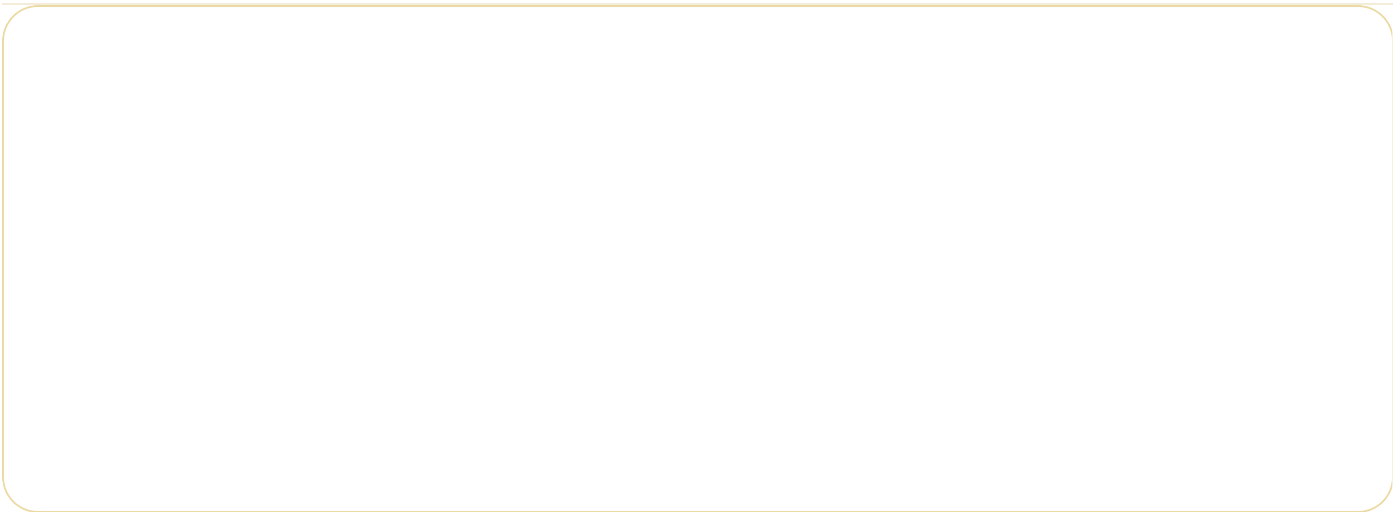
DATA & SOURCES

Prime cost: 2026 data from official sources

Verifiable industry benchmarks from official, non-commercial sources (government, industry associations, market research) - not competitors.

Metric	Value	Source
Annual price change for restaurants and hotels in Colombia at the close of 2025, per DANE as reported by Portafolio	7,91 % anual (2025)	Portafolio — Inflación en Colombia cerró el 2025 en 5,1 % según los reportes del Dane (2026)
Share of UK diners saying portion size is the main reason they leave food when eating out (survey of 4,006 adults, UK, 2022)	48 %	WRAP — Portion size is the main reason for plate waste when we eat out (2023)
Average share of the main dish left uneaten when eating out in the UK (2022)	14,8 % (13,0 % en marzo de 2020)	WRAP — Portion size is the main reason for plate waste when we eat out (2023)
Share of diners citing a portion larger than expected as a reason for leaving food (UK, 2022)	40 %	WRAP — Portion size is the main reason for plate waste when we eat out (2023)
Share of US restaurant and foodservice food waste that is plate waste, linked to portion size (2025)	70 %	ReFED — New Research Shows Consumer Demand for Customizable Portions in Restaurants (2026)
Share of US consumers who wished a restaurant meal they bought had been smaller (Datassential-ReFED, 2025)	30 %	ReFED — New Research Shows Consumer Demand for Customizable Portions in Restaurants (2026)

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