

DETERMINING ADULT MEALS AND STUDENT BREAKFAST PRICES

Student meals:

For lunch, all schools must be gradually increasing their paid lunch prices until the school reaches the paid pricing of the free reimbursement rate minus the paid reimbursement rate. Yearly, the State agency will send to the Food Service Contact the price that the school must increase until they reach the appropriate lunch paid pricing level. Click [here](#) for the State's Paid Lunch Equity Pricing Fact Sheet, tool, and instructions.

There are no specific regulations for breakfast prices, but schools should be pricing their breakfast appropriately. Appropriate breakfast prices should always be based upon the total average cost per meal per person. There are several ways to determine this figure. One way is to calculate daily breakfast costs from the production record and include wages, benefits, and other costs. Use these daily costs per breakfast to determine an average cost per person per breakfast over a reasonable period of time (at least one month).

When a cost per breakfast is determined, the current paid student Federal reimbursement rate should be subtracted. The resulting balance is the minimum amount to charge for a full price student meal in order to attain a breakeven price.

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| Example: | \$ 1.75 | Total food service <u>cost</u> per breakfast per person |
| | - <u>.28</u> | Federal reimbursement (14/15) |
| | = \$ 1.47 | Minimum breakeven price for paid student breakfast |
| | \$ 1.50 | Reasonable selling price for this example - always round up! |

Looking at this process from another angle, one can use current prices to determine the amount of income available to spend for each meal.

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| Example: | \$ 1.50 | Current student breakfast price |
| | + <u>.28</u> | Federal breakfast reimbursement (14/15) |
| | = 1.78 | Income per breakfast per paid student |

To breakeven in this example, the cost per breakfast per person would need to be lower than \$1.78.

Though the counts may be lower, this meal usually has a higher percentage of free and reduced participation which should be taken into consideration.

Adult meals:

Breakfasts and lunches served to adults must be priced so that the adult payment is sufficient to cover the overall cost of the lunch (or breakfast), including the value of any USDA entitlement and bonus donated foods used to prepare the meal. If student meal prices are correctly calculated, adult meal prices and student meal prices should not be the same price. To calculate adult meal prices for lunch, prices for adults must be the free reimbursement rate for students, plus the extra .06 cents, and plus the per meal value of the USDA donated foods.

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| Lunch Example: | \$2.98 | Free meal reimbursement rate for lunch |
| | + .06 | Extra .06 cents for meeting new meal pattern |
| | + <u>.2475</u> | Per meal value of the USDA donated foods |
| | =3.2575 | Minimum price for adults |

\$3.30 Reasonable selling price for adult meals.

To calculate adult meal prices for breakfast, prices for adults must be the total food service cost per breakfast per student and the paid reimbursement rate for breakfast.

Breakfast Example: \$1.80 Total food service cost per breakfast per student
 + .28 Paid reimbursement rate for breakfast
 =2.08 Minimum price for adults

\$2.10 Reasonable selling price for adult meals.