

Joe's Fabulous Ginger Beer

Unit Cost Breakdown	
Retail Price	4.99 (16 oz)
Wholesale price	3.42 (coop price)
Ingredient cost	1.16
Container	0.33
Manufacturer cost	0.14
Distribution cost	0.33 (\$ 400 week, 250 cases a week)
Unit Cost	2.05
Gross Profit per unit	1.37

	Profitability
Cost of Goods Sold	59.94% Unit cost / Wholesale price
Gross Profit Margin	40.06% Gross profit per unit/Wholesale price

Industry average gross profit margin for beverage manufacturing is 34.27%

NAICS Code for beverages is 312111

To find codes for products www.naics.com

Break Even Sales
Fixed Costs
Joe Profit \$5000
Jane Profit \$ 5000
Operating Expenses \$ 5000 (assumption based only)
Total Fixed Costs \$ 15,000
Total Sales to break even- 37,445.26 Fixed costs/Gross Profit Margin
Total Sales to break even with profits- 10949 Sales/wholesale price= units to sell
Total Cases to break even (with profits) 1358 Units / 6 units per case= cases