

Annual Qualified Exemption Review (2019)

FSMA Produce Safety Rule Reference § 112.7

To be eligible for a qualified exemption your farm must meet two requirements: 1) farm must have **food**¹ sales averaging less than \$500,000 per year, adjusted⁵ for inflation, during the previous three years; and 2) the farm sales to **qualified end-users**² must exceed sales to all others combined during the previous three years.

A farm with a qualified exemption **MUST** still meet the following two modified requirements: 1) disclosing the name and the complete business³ address of the farm where the produce was grown; and 2) maintaining **records**⁴ to prove that you meet this qualified exemption. Completing this worksheet is one way to maintain these records.

Farm Name and Address: _____

Step 1: Total Food Sales¹ Review

Year 1 (Sales Year 2016)	_____
Year 2 (Sales Year 2017)	_____
Year 3 (Sales Year 2018)	_____
Previous 3-Year Sum	_____
(A) Previous 3-Year Average	_____
(B) Inflation Adjusted Threshold	(2016-2018) \$550,551

Your average food sales (A) must be less than the food sales threshold adjusted⁵ for inflation (B)

Step 2: Sales to Qualified End-Users² (QEU)

QEU are consumers of the food. QEU sales can occur at a farmer's market, U-Pick, CSA, or on-farm store. Direct sales to businesses like grocery stores and restaurants may also qualify.

	Sales to QEU	Sales to non-QEU
Year 1 (Sales Year 2016)	_____	_____
Year 2 (Sales Year 2017)	_____	_____
Year 3 (Sales Year 2018)	_____	_____
Previous 3-Year SUM	_____	_____
Previous 3-Year AVERAGE	_____	_____

Is the 3-year average of sales to QEU greater than the 3-year average of sales to non-QEU? If yes, your farm meets the requirements for a qualified exemption. If no, your farm is not eligible for a qualified exemption.

Based on this information, our farm meets the criteria for a qualified exemption

Completed by: _____ Signature: _____ Date: _____

¹ Articles used for food or drink for man or other animals. Includes corn and soybeans fed to animals, sales of meat animals, milk, etc.

² A qualified end-user is either (a) the consumer of the food or (b) a restaurant or retail food establishment that is located in the same state as the farm or not more than 275 miles away. Sales through a broker are not qualified end users. The term consumer does not apply to a business.

³ Modified labeling requirement - Include the name and complete business address either on the label of the produce (if a label is required under the FD&C Act) or display the same information at the point of purchase (through a sign, label, placard, etc).

⁴ Complete and sign this or similar worksheet annually. Keep the records on file in case you are asked to provide them.

⁵ <https://www.fda.gov/food/food-safety-modernization-act-fsma/fsma-inflation-adjusted-cut-offs>

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