

**Part 2. Review template to determine if a farm is eligible for a Qualified Exemption and Modified Requirements for 2019.**

**Name and address of farm:** \_\_\_\_\_

**Date:** \_\_\_\_\_

By using this template, you will determine if a farm meets the two requirements to fall under this category. The requirements are:

Requirement 1: Average food sales must be under \$550,551.00 for years 2016-2018.

Requirement 2: The majority of food sales must be made to Qualified End Users (QEU) during that time frame.

The dollar amounts listed here are based on the adjusted inflation rates published by FDA for 2019.

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

1. Determine food sales for the farm.

**Food** is defined as articles used for food or drink for man or animals, or articles used to make components of it. It includes seeds and beans used to grow sprouts. Examples of food include: fruits, vegetables, fish, dairy products, eggs, raw agricultural commodities for use as food or as components of food, animal feed (including pet food), food and feed ingredients, food and feed additives, dietary supplements and dietary ingredients, infant formula, beverages (including alcoholic beverages and bottled water), live food animals, bakery goods, snack foods, candy and canned foods. Livestock and meat are both food within this definition. Consider that cotton, tobacco and timber are not considered food.

Use sales receipts or records to determine **total food** sales over the previous 3 years:

Year 1 (Sales year: 2016)	\$ _____	
Year 2 (Sales year: 2017)	\$ _____	
Year 3 (Sales year: 2018)	\$ _____	
Add food sales for Years 1-3	\$ _____	divide this number by 3
<b>Average total food sales for years 1-3</b>	\$ _____	

Are the average food sales over \$550,551.00 for the last three years? Yes \_\_\_ No \_\_\_

If the answer is yes, then the farm cannot claim a qualified exemption and is likely to be a covered farm.

If your answer is no, then go to step 2.

2. Determine **food sales to qualified end users (QEU) over the last three years**. Qualified end users are consumers of the food (regardless of location) and include retail food establishments (grocery stores that you deliver to directly) and restaurants within 275 miles of your farm.

	2016	2017	2018	Average food sales (2016-2018)
<b>Sales to Qualified End Users (QEU)</b>				
Directly to consumers (regardless of location, including internet sales)				
Retail food establishments (grocery stores)				
Restaurants				
Others				
<b>A- Total Food Sales to QEU by year</b>	A1	A2	A3	<b>A4=(A1+A2+A3)/3</b>
<b>Sales to businesses (not Qualified End Users)</b>				
Brokers				
Distribution centers				
Retail food establishments or restaurants farther than 275 miles from the farm				
Processors				
Packers				
Others				
<b>B- Total Food Sales to businesses (not QEU)</b>	B1	B2	B3	<b>B4=(B1+B2+B3)/3</b>

(A4) Average sales to QEU \_\_\_\_\_

(B4) Average sales to businesses (non QEU) \_\_\_\_\_

Are the average food sales to QEU (A4) greater than sales to businesses (B4) (not Qualified end users)?

Yes \_\_\_\_\_ No \_\_\_\_\_

If the answer is Yes, then the farm has met the second requirement to be eligible for a qualified exemption.

If the answer is No, then the farm cannot claim the exemption and is likely to be a covered farm.

**Further verification**

$(\$ \text{_____} \div \$ \text{_____}) \times 100 = \text{_____} \%$

(A4) Average food sales to qualified end users (years 1-3)	Average total food sales (years 1-3)	Percent sales to qualified end users
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If you follow this template and the sales to qualified end users are 51% or more, then the farm has met both requirements listed to be eligible for a qualified exemption and modified requirements.

\*Sales receipts must also be retained to support this record.

**Created by:**  
**Date:**

**Reviewed by:**  
**Date:**

**FSMA PSR Reference § 112.7(b) Confidential Record**