

# Qualified Exemption Review

PSR Required (if Applicable)

FSMA PSR Reference § 112.7

Frequency: Annual

Farms claiming a qualified exemption from the Produce Safety Rule (PSR) must complete and document an annual review of farm sales to ensure they meet the criteria for a qualified exemption. The documentation of the annual review must be kept for two years. Records (such as receipts or other sales tracking records) for the three years prior to the applicable calendar year to support a qualified exemption must be kept.

**Farm Name & Address:** *Low Creek Produce 2376 N. Range Rd. Cascade, MT 59421* **Date of Review:** Jan 1, 2022

**STEP 1:** Review **total food sales** for previous three years. The term “food” means articles used for food or drink for humans or other animals including produce, grain, hay, dairy products, meat, eggs, value added, etc.

Year 1 (Sales Year: 2019 )                      \$ 30,000 Total Food Sales  
 Year 2 (Sales Year: 2020 )                      \$ 55,000 Total Food Sales  
 Year 3 (Sales Year: 2021 )                      \$ 42,000 Total Food Sales  
 Previous 3-Year Average Total Food Sales:    \$ 42,333.33 (Part A)

\*\*Total Food Sales Threshold Adjusted for Inflation: \$ 584,908 (Part B) – \$584,908 is the 3-year average for 2019-2021  
 \*\* see information at the bottom of the page

**Are the farms 3-year average food sales \$42,333.33 (Part A) less than the Food Sales Threshold Adjusted for Inflation \$584,908 (Part B)?** If yes, continue to STEP 2. If no, your farm does not meet the criteria for a qualified exemption.

**STEP 2:** Review **total food sales** that were sold to qualified end-users (QEU). QEU are consumers of the food (sales directly to customers at a farmers’ market, U-Pick, roadside stand, on-farm store, CSA, other direct customer sales, or sales of food sold to a food retail establishment (grocery store) or restaurant that is in the same state as the farm or within 275 miles of the farm).

|                                   | Sales to QEU              | Sales to non-QEU         |
|-----------------------------------|---------------------------|--------------------------|
| Year 1 (Sales Year: <u>2019</u> ) | \$ <u>30,000</u>          | \$ <u>0</u>              |
| Year 2 (Sales Year: <u>2020</u> ) | \$ <u>40,000</u>          | \$ <u>15,000</u>         |
| Year 3 (Sales Year: <u>2021</u> ) | \$ <u>42,000</u>          | \$ <u>0</u>              |
| 3-Year Average:                   | \$ <u>37,333</u> (Part C) | \$ <u>5,000</u> (Part D) |

Comment: food sales from farmers market in 2019 & 2021. \$15,000 of grain sold to a broker at a grain elevator in 2020.

**Is the 3-year average of sales to QEU \$37,333 (Part C) greater than the 3-year average of sales to non-QEU \$5,000 (Part D)?** If you answered yes in STEP 1 and STEP 2, your farm meets the requirements for a qualified exemption.

**\*\*Adjustments for inflation:** Total Food Sales Threshold Adjusted for Inflation is an average of the previous 3-year’s inflation thresholds listed by FDA. Visit FDA’s website at <https://www.fda.gov/food/food-safety-modernization-act-fsma/fsma-inflation-adjusted-cut-offs> to view the table of these values. You may also contact the Montana Department of Agriculture Produce Safety Program at 406.444.0131 for assistance in determining the correct value.

|   |                                       |                                 |
|---|---------------------------------------|---------------------------------|
| <b>Reviewed by</b> <i>Johnny S Wright</i> | <b>Title:</b> <i>Owner/Supervisor</i> | <b>Date:</b> <i>Jan 1, 2022</i> |
|---|---------------------------------------|---------------------------------|

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**Farm Name & Address:**

**Date of Review:**

**STEP 1:** Review **total food sales** for previous three years. The term “food” means articles used for food or drink for humans or other animals including produce, grain, hay, dairy products, meat, eggs, value added, etc.

Year 1 (Sales Year: \_\_\_\_\_)                      \$ \_\_\_\_\_

Year 2 (Sales Year: \_\_\_\_\_)                      \$ \_\_\_\_\_

Year 3 (Sales Year: \_\_\_\_\_)                      \$ \_\_\_\_\_

Previous 3-Year Average Total Food Sales: \$ \_\_\_\_\_ (Part A)

**\*\*Total Food Sales Threshold Adjusted for inflation: \$ \_\_\_\_\_ (Part B) – see information at the bottom of the page\*\***

**Are the farms 3-year average food sales \_\_\_\_\_ (Part A) less than the Food Sales Threshold Adjusted for Inflation \_\_\_\_\_ (Part B)?** If yes, continue to STEP 2. If no, your farm does not meet the criteria for a qualified exemption.

**STEP 2:** Review **total food sales** that were sold to qualified end-users (QEU). QEU are consumers of the food (sales directly to customers at a farmers’ market, U-Pick, roadside stand, on-farm store, CSA, other direct customer sales, or sales of food sold to a food retail establishment (grocery store) or restaurant in Montana or within 275 miles of the farm).

|                            | Sales to QEU      | Sales to non-QEU  |
|----------------------------|-------------------|-------------------|
| Year 1 (Sales Year: _____) | \$ _____          | \$ _____          |
| Year 2 (Sales Year: _____) | \$ _____          | \$ _____          |
| Year 3 (Sales Year: _____) | \$ _____          | \$ _____          |
| 3-Year Average:            | \$ _____ (Part C) | \$ _____ (Part D) |

Comment: \_\_\_\_\_

**Is the 3-year average of sales to QEU \_\_\_\_\_ (Part C) greater than the 3-year average of sales to non-QEU \_\_\_\_\_ (Part D)?** If you answered yes in STEP 1 and STEP 2, your farm meets the requirements for a qualified exemption.

**\*\*Adjustments for inflation:** Total Food Sales Threshold Adjusted for Inflation is an average of the previous 3-year’s inflation thresholds listed by FDA. Visit FDA’s website at <https://www.fda.gov/food/food-safety-modernization-act-fsma/fsma-inflation-adjusted-cut-offs> to view the table of these values. You may also contact the Montana Department of Agriculture Produce Safety Program at 406.444.0131 for assistance in determining the correct value.

|                    |               |              |
|--------------------|---------------|--------------|
| <b>Reviewed by</b> | <b>Title:</b> | <b>Date:</b> |
|--------------------|---------------|--------------|