

*Visitor* means any person (other than personnel) who enters your covered farm with your permission.

*Water distribution system* means a system to carry water from its primary source to its point of use, including pipes, sprinklers, irrigation canals, pumps, valves, storage tanks, reservoirs, meters, and fittings.

*We* means the U.S. Food and Drug Administration (FDA).

*Yard trimmings* means purely vegetative matter resulting from landscaping maintenance or land clearing operations, including materials such as tree and shrub trimmings, grass clippings, palm fronds, trees, tree stumps, untreated lumber, untreated wooden pallets, and associated rocks and soils.

*You*, for purposes of this part, means the owner, operator, or agent in charge of a covered farm that is subject to some or all of the requirements of this part.

[80 FR 74547, Nov. 27, 2015, as amended at 81 FR 26467, May 3, 2016]

#### **§ 112.4 Which farms are subject to the requirements of this part?**

(a) Except as provided in paragraph (b) of this section, a farm or farm mixed-type facility with an average annual monetary value of produce (as “produce” is defined in § 112.3) sold during the previous 3-year period of more than \$25,000 (on a rolling basis), adjusted for inflation using 2011 as the baseline year for calculating the adjustment, is a “covered farm” subject to this part. Covered farms subject to this part must comply with all applicable requirements of this part when conducting a covered activity on covered produce.

(b) A farm is not a covered farm if it satisfies the requirements in § 112.5 and we have not withdrawn the farm’s exemption in accordance with the requirements of subpart R of this part.

[80 FR 74547, Nov. 27, 2015, as amended at 84 FR 12490, Apr. 2, 2019]

#### **§ 112.5 Which farms are eligible for a qualified exemption and associated modified requirements based on average monetary value of all food sold and direct farm marketing?**

(a) A farm is eligible for a qualified exemption and associated modified requirements in a calendar year if:

(1) During the previous 3-year period preceding the applicable calendar year, the average annual monetary value of the food (as defined in § 112.3) the farm sold directly to qualified end-users (as defined in § 112.3) during such period exceeded the average annual monetary value of the food the farm sold to all other buyers during that period; and

(2) The average annual monetary value of all food (as defined in § 112.3) the farm sold during the 3-year period preceding the applicable calendar year was less than \$500,000, adjusted for inflation.

(b) For the purpose of determining whether the average annual monetary value of all food sold during the 3-year period preceding the applicable calendar year was less than \$500,000, adjusted for inflation, the baseline year for calculating the adjustment for inflation is 2011.

[80 FR 74547, Nov. 27, 2015, as amended at 84 FR 12490, Apr. 2, 2019]

#### **§ 112.6 What modified requirements apply to me if my farm is eligible for a qualified exemption in accordance with § 112.5?**

(a) If your farm is eligible for a qualified exemption in accordance with § 112.5, you are subject to the requirements of:

- (1) This subpart (General Provisions);
- (2) Subpart O of this part (Records);
- (3) Subpart Q of this part (Compliance and Enforcement); and
- (4) Subpart R of this part (Withdrawal of Qualified Exemption).

(b) In addition, you are subject to the following modified requirements:

- (1) When a food packaging label is required on food that would otherwise be covered produce under the Federal Food, Drug, and Cosmetic Act or its implementing regulations, you must include prominently and conspicuously on the food packaging label the name and the complete business address of the farm where the produce was grown.