



Spot Market Hog Pandemic Program

Toolkit for Stakeholders

The U.S. Department of Agriculture (USDA) is delivering a new program to assist hog producers who experienced financial losses on hogs sold through a negotiated sale from April 16, 2020, through Sept. 1, 2020. The [Spot Market Hog Pandemic Program \(SMHPP\)](#) is part of USDA's [Pandemic Assistance for Producers initiative](#) and addresses gaps in previous assistance for hog producers. Hog producers will also now be required to submit documentation to support information provided on their SMHPP application.

USDA's Farm Service Agency (FSA) will accept applications through April 29, 2022.

We need your help. We want to ensure eligible hog producers are aware of this program and the available resources to apply, including how to contact the FSA office at their local USDA Service Center and FSA's call center. This toolkit is meant for partners and stakeholder groups to share information on SMHPP in their networks. It includes:

- Key messages
- Newsletter article
- Social media posts with graphic

Answers to frequently asked questions can be found at farmers.gov/smhpp/faq. An updated fact sheet on this program can be found at farmers.gov/smhpp.

Please contact us at fpac.bc.press@usda.gov with any additional questions.

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Key Messages

- The Spot Market Hog Pandemic Program (SMHPP) is part of USDA's Pandemic Assistance for Producers initiative and is funded by the Coronavirus Aid, Relief and Economic Security (CARES) Act.
- USDA will make payments to hog producers who sold hogs through a spot market sale from April 16, 2020, through Sept. 1, 2020, the period in which these producers faced the greatest reduction in market prices because of COVID-19.
- SMHPP payments will be calculated by multiplying the number of head of eligible hogs, not to exceed 10,000 head, by the payment rate per head of \$54.
 - The payment rate per head was established based on the losses from negotiated sale rates for hogs sold during the relevant time frame and taking into account the payment rate established for hogs for the Coronavirus Food Assistance Program 2 (CFAP 2).
- FSA is providing assistance for these sales because USDA has determined that hogs sold through a spot market sale were affected by the greatest reduction in market prices due to the COVID-19 pandemic during this period.
- Eligible hogs include those sold through a spot market sale by producers from April 16, 2020, through Sept. 1, 2020. The hogs must have been physically located in the United States at the time of sale and advertised or offered as ready for slaughter.
- Ineligible hog sales include:
 - Any other types of sales identified by the AMS Livestock Mandatory Reporting, including:
 - Formulas linked to futures or formulas based on the cutout based on the wholesale meat prices, such as other market formula and swine or pork market formula, and
 - Packer-owned swine.
 - Contracts that include a premium above the spot market price; and
 - Sales of either pigs or hogs that are marketed for purposes other than slaughter, such as for breeding stock or to grow out.
 - Contract growers, Federal, State and local governments, including public schools; and packers are ineligible for SMHPP.
 - FSA will accept applications for SMHPP from December 15, 2021, through April 29, 2022. FSA extended the deadline which was originally set for Feb. 25, 2022 to April 15, then extended once again to April 29.
- To apply for SMHPP, eligible producers must submit a complete form FSA-940, Spot Market Hog Pandemic Program (SMHPP) application.
- All producers must provide documentation to support the accuracy of information provided on the application, including to:
 - Substantiate the number of hogs reported on the application that were sold through a spot market sale; and
 - how the price was determined for the sale.

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- FSA will issue payments to eligible hog producers after the application period ends.
- If calculated payments exceed the amount of available funding, payments will be factored.
- Producers can find contact information for their local Service Center at farmers.gov/service-locator. Applicants may also call 877-508-8364 to speak directly with a USDA employee ready to provide one-on-one assistance.

Newsletter Article

USDA Updates Eligibility for Spot Market Hog Pandemic Program

The U.S. Department of Agriculture (USDA) has clarified the definition of a spot market sale and hog eligibility under the [Spot Market Hog Pandemic Program](#) (SMHPP), which assists producers who sold hogs through a spot market sale from April 16, 2020, through Sept. 1, 2020. Hog producers will also now be required to submit documentation to support information provided on their SMHPP application. USDA's Farm Service Agency (FSA) will accept applications through April 29, 2022, which is an extension of the April 15, 2022, deadline previously set for the program.

USDA is offering the SMHPP in response to a reduction in packer production due to the COVID-19 pandemic, which resulted in fewer negotiated hogs being procured and subsequent lower market prices. The program is part of USDA's broader [Pandemic Assistance for Producers](#) initiative and addresses gaps in previous assistance for hog producers.

SMHPP Program Updates

When the pandemic disrupted normal marketing channels, including access to packers, producers sold their hogs through cash sales to local processors or butchers, direct sales to individuals and third-party intermediaries, including sale barns or brokers. The use of third-party intermediaries was the only available marketing alternative for many producers and are now included in SMHPP. The only direct to packer sales that are eligible for SMHPP are those through a negotiated sale. Hogs sold through a contract that includes a premium above the spot-market price or other formula such as the wholesale cut-out price remain ineligible. Hogs must be suitable and intended for slaughter to be eligible. Immature swine (pigs) are ineligible.

FSA will now require documentation to support the accuracy of information provided on the FSA-940 Spot Market Hog Pandemic Program application, including the number of hogs reported on the application that were sold through a spot market sale and how the price was determined for the sale.

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SMHPP payments will be calculated by multiplying the number of head of eligible hogs, not to exceed 10,000 head, by the payment rate of \$54 per head. To ensure SMHPP funding availability is disbursed equitably to all eligible producers, FSA will now issue payments after the application period ends. If calculated payments exceed the amount of available funding, payments will be factored.

Applying for Assistance

Eligible hog producers can apply for SMHPP by April 29, 2022, by completing the FSA-940, Spot Market Hog Pandemic Program application, along with required supporting documentation. Producers can visit farmers.gov/smhpp for examples of supporting documentation, information on applicant eligibility and more information on how to apply.

Applications can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery or via electronic means. To find their local FSA office, producers should [visit farmers.gov/service-locator](https://farmers.gov/service-locator). Hog producers can also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.



Sample Posts for Facebook and Twitter

Below are social media posts for use on Facebook, Twitter, and other platforms. Be sure to tag us on Twitter: @FarmersGov and @usdaFSA.

- [@USDA](#) extended the deadline for Spot Market Hog Pandemic Program, clarified eligibility & other program requirements. Signup now closes 4/29. Learn more: [Farmers.gov/smhpp](https://www.farmers.gov/smhpp) [+ graphic option below]
- Did you sell hogs through a spot market sale from April 16, 2020, through Sept. 1, 2020? You may be eligible for @USDA's Spot Market Hog Pandemic Program. Apply by April 29. [Farmers.gov/smhpp](https://www.farmers.gov/smhpp) [+ graphic option below]

USDA United States Department of Agriculture

SPOT MARKET HOG PANDEMIC PROGRAM

 Application deadline extended to April 29, 2022
www.farmers.gov/SMHPP or 877-508-8364