



USDA Updates Eligibility for Spot Market Hog Pandemic Program

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WASHINGTON, March 17, 2022- 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.??

"Since opening signup for the Spot Market Hog Pandemic Program, we have heard from stakeholders and interested parties who have expressed concern and confusion about eligibility criteria, particularly as they related to the definition of a spot market sale and the definition of an eligible hog," said FSA Administrator Zach Ducheneaux. "We have clarified the intent and scope of this program to target assistance to hog producers who were hard-hit by the pandemic but have not been included in other forms of assistance. In updating the SMHPP, we are working to provide new, broader, and more equitable opportunities for farmers, ranchers and 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.

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. Hog producers can also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.?

USDA touches the lives of all Americans each day in so many positive ways. Under the Biden-Harris Administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to safe, healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit usda.gov.

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