



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.

USDA's Farm Service Agency (FSA) will accept SMHPP applications from Dec. 15, 2021, through Feb. 25, 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.

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

December 2021



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.
- Through SMHPP, USDA will make payments to hog producers for financial losses on negotiated hogs and negotiated formula hogs sold by producers from April 16, 2020, through Sept. 1, 2020.
- Negotiated sale, or negotiated formula sale, means a sale by a producer of hogs to a packer under which the base price for the hogs is determined by seller-buyer interaction and agreement on a delivery day.
- USDA will calculate SMHPP payments by multiplying the number of head of eligible hogs, not to exceed 10,000 head, by the payment rate of \$54 per head, as shown:
Expected SMHPP Payment = # Eligible Hogs Sold from April 16, 2020 through Sept. 1, 2020 x \$54
- USDA's Farm Service Agency (FSA) is providing this assistance as packer production was reduced due to the COVID-19 pandemic, resulting in fewer negotiated hogs being procured and subsequent lower market prices.
- Eligible hogs include those sold through a negotiated sale by producers from April 16, 2020, through Sept. 1, 2020. The hogs must have been physically located in the United States, including U.S. territories.
- Contract growers; federal, state, and local governments, including public schools; and packers are not eligible for SMHPP.
- FSA will accept applications for SMHPP from Dec. 15, 2021 through Feb. 25, 2022. FSA will issue payments to eligible hog producers as applications are received and approved.
- To apply for SMHPP, eligible producers must submit a complete form FSA-940, Spot Market Hog Pandemic Program (SMHPP) application. Visit farmers.gov/smhpp for additional forms and application information.
- If requested by FSA, the producer must provide supporting documentation to substantiate the number of hogs sold through a negotiated purchase claimed on the application. Examples of supporting documentation include negotiated sale agreement, veterinarian records, feeding records, inventory records, rendering receipts, purchase receipts, and other records determined acceptable by FSA.
- Applicants may apply for SMHPP through the FSA office at any USDA Service Center. 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.

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Newsletter Article

USDA Provides Additional Pandemic Assistance to Hog Producers

Farm Service Agency Will Begin Taking Applications on Dec. 15

The U.S. Department of Agriculture (USDA) announced a new program to assist hog producers who sold hogs through a negotiated sale during the period in which these producers faced the greatest reduction in market prices due to the COVID-19 pandemic. 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. USDA's Farm Service Agency (FSA) will accept applications Dec. 15, 2021 through Feb. 25, 2022.

SMHPP provides assistance to hog producers who sold hogs through a negotiated sale from April 16, 2020 through Sept. 1, 2020. Negotiated sale, or negotiated formula sale, means a sale of hogs by a producer to a packer under which the base price for the hogs is determined by seller-buyer interaction and agreement on a delivery day. USDA is offering SMHPP as packer production was reduced due to the COVID-19 pandemic due to employee illness and supply chain issues, resulting in fewer negotiated hogs being procured and subsequent lower market prices.

The Department has set aside up to \$50 million in pandemic assistance funds through the Coronavirus Aid, Relief and Economic Security (CARES) Act for SMHPP and other related pandemic assistance.

SMHPP Program Details

Eligible hogs include hogs sold through a negotiated sale by producers between April 16, 2020, and Sept. 1, 2020. To be eligible, the producer must be a person or legal entity who has ownership in the hogs and whose production facilities are located in the United States, including U.S. territories. Contract producers, federal, state and local governments, including public schools and packers are not eligible for SMHPP.

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. FSA will issue payments to eligible hog producers as applications are received and approved.

Applying for Assistance

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Eligible hog producers can apply for SMHPP starting Dec. 15, 2021, by completing the FSA-940, Spot Market Hog Pandemic Program application. Additional documentation may be required. Visit farmers.gov/smhpp for a copy of the Notice of Funds Availability, 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 your local FSA office, visit 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's new program provides assistance to eligible hog producers for financial losses on negotiated hogs and negotiated formula hogs. Signup opens 12/15. Learn more: Farmers.gov/smhpp [+ graphic option below]
- Did you sell hogs through a negotiated sale from April 16, 2020, through Sept. 1, 2020? You may be eligible for @USDA's new Spot Market Hog Pandemic Program. Farmers.gov/smhpp [+ graphic option below]
- New Program Alert! @USDA's Spot Market Hog Pandemic Program provides assistance to producers who sold hogs through a negotiated sale from April 16, 2020, through Sept. 1, 2020. Farmers.gov/smhpp [+ graphic option below]



**SPOT MARKET
HOG PANDEMIC
PROGRAM**



 **Accepting Applications**
Dec. 15, 2021 to Feb. 25, 2022
www.farmers.gov/SMHPP or 877-508-8364

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