

USDA Begins Issuing Payments for Spot Market Hog Pandemic Program

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SPRINGFIELD, Illinois, July 26, 2022— The U.S. Department of Agriculture (USDA) is increasing the amount of funding available for the [Spot Market Hog Pandemic Program](#) (SMHPP) and expects to issue approximately \$62.8 million in pandemic assistance payments to hog producers starting this week. SMHPP assists eligible producers who sold hogs through a spot market sale from April 16, 2020, through September 1, 2020. USDA's Farm Service Agency (FSA) accepted SMHPP applications through April 29, 2022.

“In order to provide more targeted support to hog producers affected by the pandemic, FSA was able to increase funding for SMHPP to provide full payments to producers instead of applying a payment factor,” said FSA Administrator Zach Ducheneaux. “We are pleased to be able to provide more equitable opportunities for hog producers who were hard-hit by the pandemic.”

SMHPP Payments

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 originally planned to apply a payment factor if calculated payments exceeded the allocated \$50 million in pandemic assistance funds for SMHPP. Payments are not expected to be factored due to Agriculture Secretary Tom Vilsack's decision to increase funding enabling producers to receive 100% of the calculated SMHPP payment.

There is no per person or legal entity payment limitation on SMHPP payments.

SMHPP Background

USDA offered 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.

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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