



United States  
Department of  
Agriculture

Risk  
Management  
Agency

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**BULLETIN NO.: MGR-08-013**

**TO:** All Approved Insurance Providers  
All Risk Management Agency Field Offices  
All Other Interested Parties

**FROM:** Eldon Gould /s/ *Eldon Gould* 7/22/2008  
Administrator

**SUBJECT:** Tolerance for Documentation to Support the Nursery Plant Inventory Value Report (PIVR), Nursery Peak Inventory Value Report, and Pilot Nursery Growers Price Endorsement (NGPE) Upgraded Plant Report

**BACKGROUND:**

The Risk Management Agency (RMA) issued Manager's Bulletin MGR-08-003 on February 28, 2008, and Final Agency Determination, FAD-087 on March 27, 2008, to address issues with Nursery Plant Inventory Value Reports (PIVRs), Nursery Peak Inventory Value Reports, and Pilot Nursery Growers Price Endorsement (NGPE) Upgraded Plant Reports. RMA has received comments regarding MGR-08-003 and FAD-087. The comments have centered on how closely the documentation must support the inventory values reported on the PIVRs, Nursery Peak Inventory Value Reports, and NGPE Upgraded Plant Reports. The comments stated, according to the FAD-087, documentation must support the inventory values reported on the PIVR, Nursery Peak Inventory Value Reports, and NGPE Upgraded Plant Reports to the nearest dollar. The comments stated this requirement cannot be met due to the day-to-day inventory fluctuations in nurseries.

**ACTION:**

Approved Insurance Providers (AIPs) are reminded that the Office of Inspector General found instances involving significant dollars of coverage where policyholders did not have inventory records to support the inventory value stated on their PIVR.



AIPs and their agents should ensure their policyholders are knowledgeable of the record retention requirements. Failure of the policyholder to provide the documents supporting the PIVR, revised PIVR, Peak Inventory Value Report and the NGPE Upgraded Plant Report when requested at any time during the record retention period will result in a determination of no indemnity due as provided in section 21(f) of the Basic Provisions. RMA expects in most cases that no inventory value will be reported in excess of the minimum amount of documentation the policyholder has available.

Recognizing that inventory values do fluctuate, for the 2008 and subsequent crop years RMA expects the inventory values reported on the PIVRs, Nursery Peak Inventory Value Reports, and NGPE Upgraded Plant Reports be supported by documentation that is within the lesser of \$2,500 or five percent of the inventory values for each basic unit reported on the PIVRs, Nursery Peak Inventory Value Reports and NGPE Upgraded Plant Reports.

**DISPOSAL DATE:**

This bulletin will remain in effect until December 31, 2009, or until incorporated into the policy regulations or procedures.