

International Financial Reporting Standards

IAS 41 *Agriculture* Bearer biological assets

Setting the scope

The views expressed in this presentation are those of the presenter, not necessarily those of the IASB or IFRS Foundation.

Approach to this meeting

Step one

- Which biological assets are we talking about?

Step two

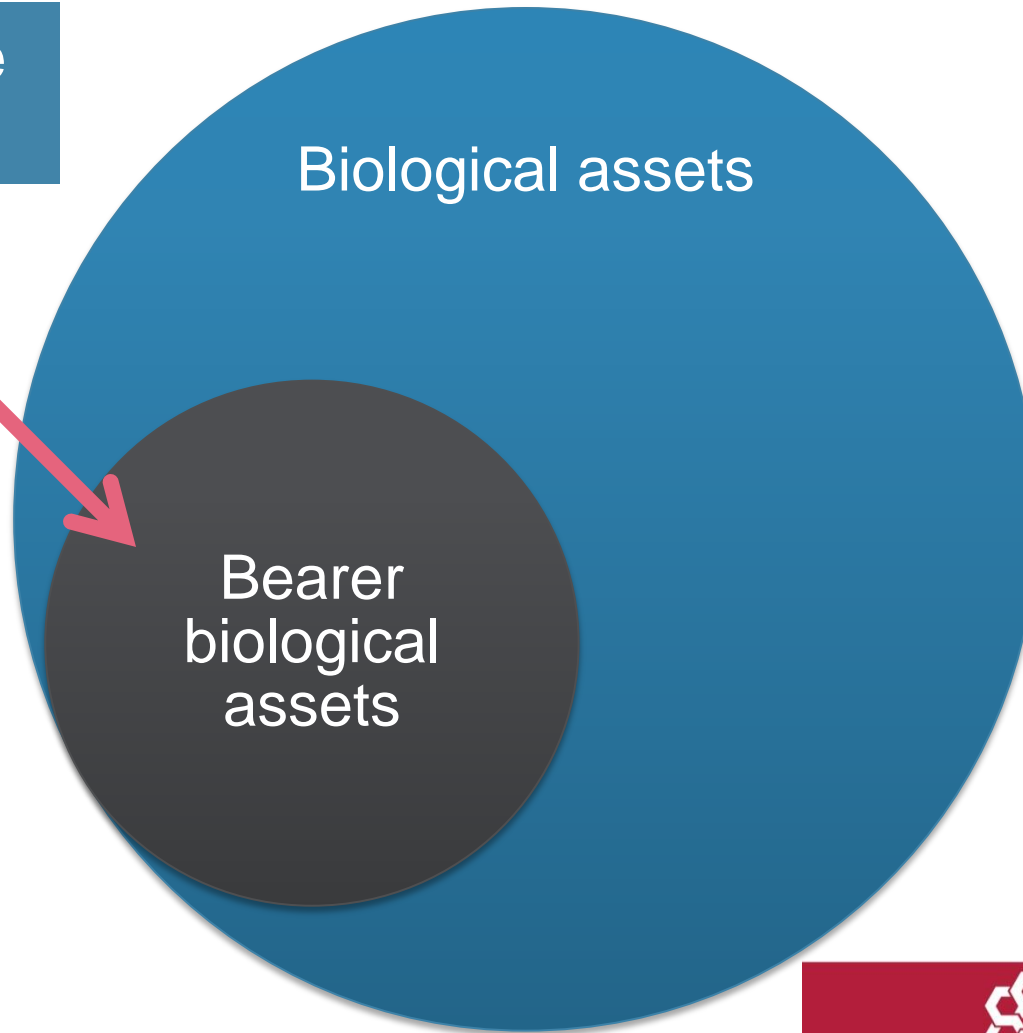
- How would a cost model be implemented for these assets?

Step three

- Overall decision on whether IAS 16 would provide more decision useful information than current requirements

Step 1 Which biological assets are we talking about?

How to define this subset?



Step 1 Which biological assets are we talking about?

- How do we define bearer biological assets (BBAs)?
 - View 1: No alternative use (approach in AOSSG paper)
 - View 2: Predominant use (business model approach)
 - View 3: No alternative use. Plants only
 - View 4: Predominant use. Plants only
 - Other options?

No alternative use (View 1)

BBAs

Biological assets with no consumable attributes (no alternative use)

Cultivated for production of agricultural produce (AP)

Used for > 1 period

Not AP themselves

Only held for generation of income from production & sale of AP

Oil palm trees, grapevines, fruit trees

IAS 16

A means for production

Capable of bearing AP and harvested as AP

Cows raised for milk /beef

Capable of bearing AP and tradable in market

Stud, merino sheep

Cultivated to be harvested as AP

Pigs, trees grown for timber

Cultivated for sale only

Breeding stock

Cultivated annually

Maize, wheat

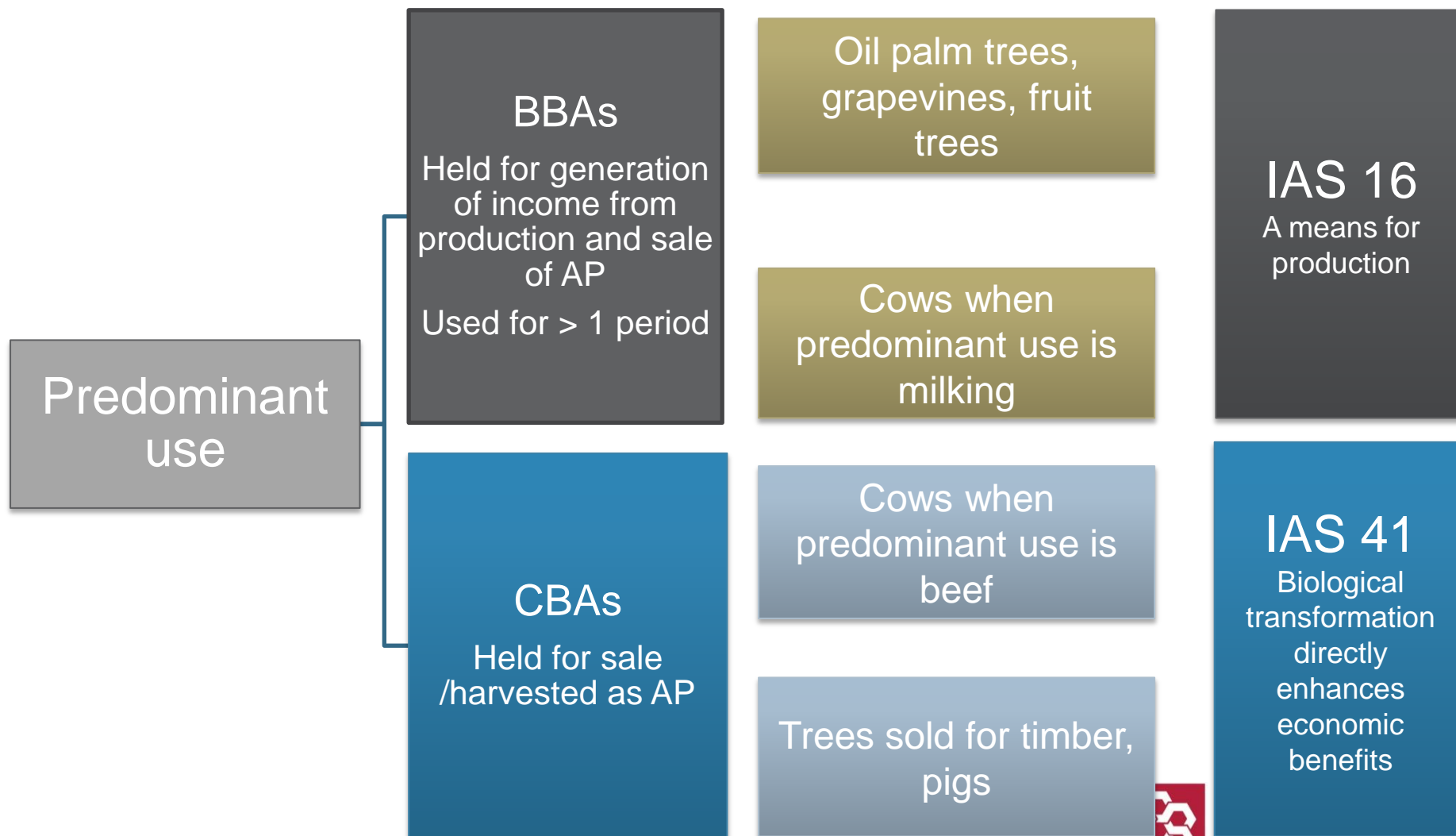
CBAs

(Biological assets other than BBAs)

IAS 41

Biological transformation directly enhances economic benefits

Predominant use (View 2)



No alternative use. Plants only (View 3)

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BBAs
Plants with no consumable attributes (no alternative use)
Cultivated for production of AP
Used for > 1 period
Not AP themselves

Only held for generation of income from production & sale of AP

Oil palm trees, grapevines, fruit trees

IAS 16
A means for production

CBAs
(Plants that are not BBAs)

Cultivated to be harvested as AP

Trees grown for timber

Cultivated for sale only

House plants

Cultivated annually

Maize, wheat

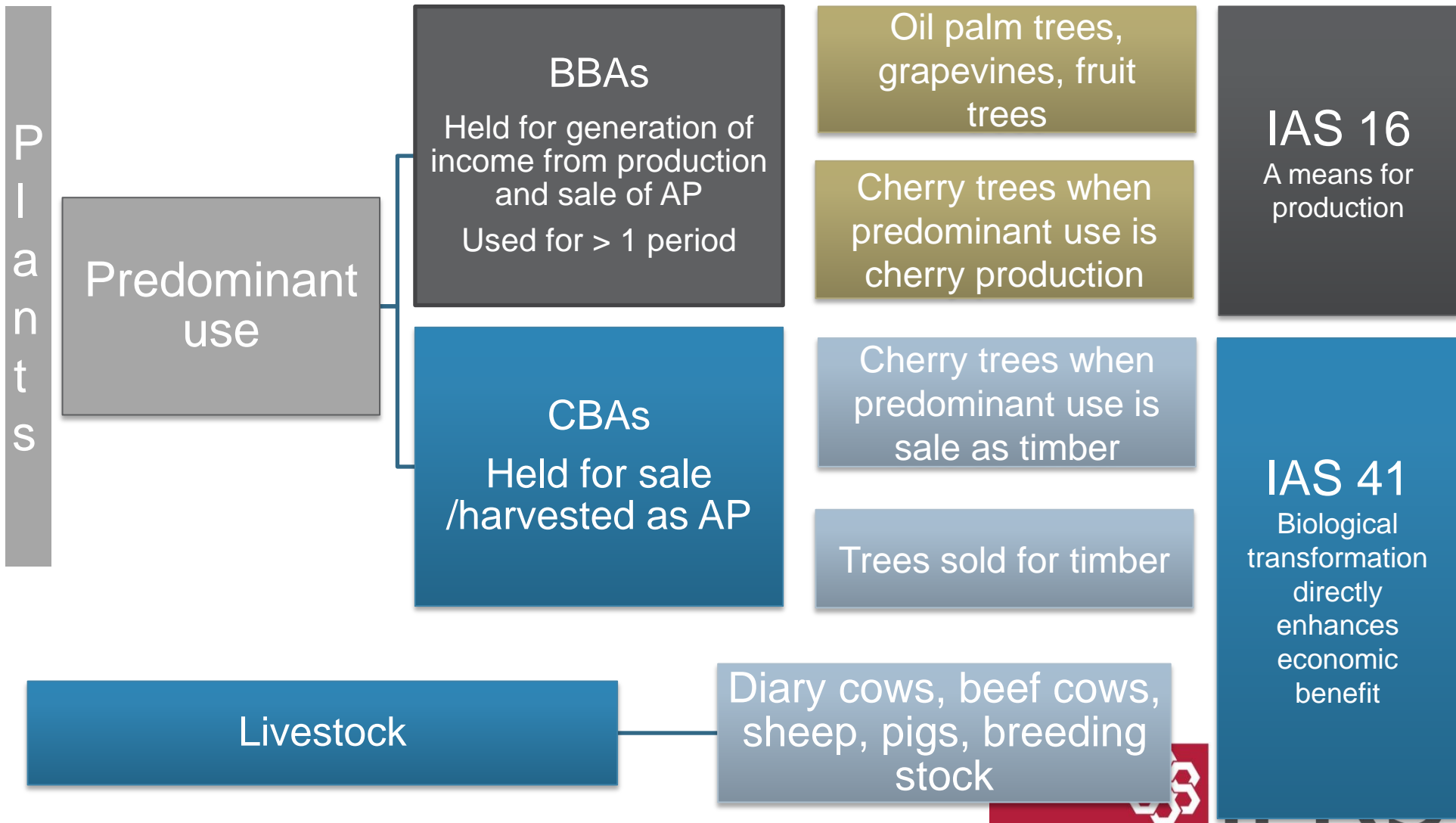
IAS 41
Biological transformation directly enhances economic benefit

Livestock

Diary cows, beef cows, sheep, pigs, breeding stock



Predominant use. Plants only (View 4)



Thank you

