

Sir Bryan Carsberg  
Secretary General  
IASC  
167 Fleet Street  
GB-LONDON EC4A 2ES

Re: Draft Statement of Principles on Agriculture

Dear Sir Brian:

The *Instituto de Auditores -Censores Jurados de Cuentas de España*, has considered the Proposed International Accounting Standard on Agriculture and is pleased to submit its comments on it.

We think that this standard could be a useful guidance for many agriculture companies and particularly those in emerging countries, but in Europe, most part of the sector is composed by small farmers and the most part of their income comes from public agencies.

Nevertheless we would like to point a comment on the valuation of the inventories. We think that the valuation of finished goods must be at fair valuing but the biological assets, while an active market is not available, we think that they have to be valued at the historical cost, and this possibility could be stated in the text of the Standard. The use of fair value must be, as a matter of fact, a true control device for the information produced by the accounting systems inside the enterprises in the cases where it is available.

Please do not hesitate to contact our representative in the accounting working party, whose name and address is set out below, for further information.

Yours sincerely,

Javier Martín  
Secretary Executive

Madrid, 2<sup>nd</sup> February 2000

Representative at the Accounting Working Party  
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