

Introduction and Invitation to Comment

The International Accounting Standards Board proposes to amend IAS 41 *Agriculture* to revise the examples of agricultural produce and products that are the result of processing after harvest.

The Board invites comments on the proposed amendment. It would particularly welcome answers to the question below. Comments are most helpful if they contain a clear rationale and, when applicable, provide a suggestion for alternative wording.

The Board is not requesting comments on matters in IAS 41 not addressed in the exposure draft.

Question

Do you agree with the proposed amendments to the examples in paragraph 4 of IAS 41? If not, why?

Proposed amendment to IAS 41 *Agriculture*

In the Standard, paragraph 4 is amended (new text is underlined, deleted text is struck through).

Scope

...

- 4 The table below provides examples of biological assets, agricultural produce, and products that are the result of processing after harvest:

Biological assets	Agricultural produce	Products that are the result of processing after harvest
Sheep	Wool	Yarn, carpet
Trees in a plantation forest	Logs - <u>Felled trees</u>	<u>Logs</u> , lumber
Plants	Cotton	Thread, clothing
	Harvested cane	Sugar
Dairy cattle	Milk	Cheese
Pigs	Carcass	Sausages, cured hams
Bushes	Leaf	Tea, cured tobacco
Vines	Grapes	Wine
Fruit trees	Picked fruit	Processed fruit

Basis for Conclusions on Proposed Amendment to IAS 41 Agriculture

This Basis for Conclusions accompanies, but is not part of, the draft amendment.

Scope

- BC1 The Board identified that one of the examples of agricultural produce in the table in paragraph 4 of IAS 41 is presented incorrectly. ‘Logs’ are an example of produce that has been processed rather than an example of unprocessed produce.
- BC2 Therefore, the Board decided to amend the table.