



Accounting Standards Board

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Stephenie Fox,
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International Federation of Accountants,
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Dear Stephenie

Exposure Draft 36 'Agriculture'

The UK Accounting Standards Board's Committee on Accounting for Public Benefit Entities (CAPE) welcomes the opportunity to comment on the International Public Sector Accounting Standards Board's (IPSASB) proposals in Exposure Draft 36 'Agriculture'. CAPE supports the IPSASB's policy to develop a set of accrual based International Public Sector Accounting Standards that are convergent with IFRSs issued by the International Accounting Standards Board, where appropriate for public sector entities.

We agree with IPSASB that, in the absence of any specific public sector reasons for departure, ED 36 should be a converged standard, ie it should maintain the requirements, structure and text of IAS 41. We also agree with the changes that are proposed in respect of the definition of agricultural activity and the decision that ED 36 should not deal with accounting for government grants related to agricultural activity because this is addressed in IPSAS 23 'Revenue from Non-Exchange Transactions'.

In our view, the standard should be explicit that it applies to agricultural assets held by national agencies as a result of intervention buying before harvest and that, after harvest, intervention stocks are accounted for in accordance with IPSAS 12 'Inventories', as stated in paragraph 16 of the draft standard.

Whilst we understand the reasons for excluding biological assets held for the supply of services from the scope of the proposed standard, we consider it would be helpful for the standard to suggest how these assets should be recognised and measured under other IPSASs.

If you require any further information please contact me or Alan O'Connor (a.oconnor@frc-asb.org.uk) or telephone +44 (0)20 7492 2421).

Yours sincerely



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