Appendix 3: Decision Tree 3 – Recognition and Measurement of Productive Biological Assets

From Decision Tree 1

Recognize the item as a productive biological asset
(paragraph 3041.10)

↓

Measure the productive biological asset at cost
(paragraph 3041.58)

Include all costs related to the acquisition, development and betterment of the productive biological asset
(paragraphs 3041.59-.64)

↓

Is the productive biological asset part of a group that is managed on a collective basis to maintain its collective productive capacity indefinitely?
(paragraph 3041.66)

No →

The productive biological asset is subject to amortization

Subsequent measurement: Amortized cost less any impairment
(paragraphs 3041.65 and 3041.68-.73)

Yes →

The productive biologial asset is not subject to amortization

Subsequent measurement: Test for impairment, if any
(paragraphs 3041.66-.67 and 3041.74-.78)

No / **No**

Does the agricultural producer cease to use the productive biological asset in a productive capacity?
(paragraph 3041.80)

Yes ↓

The requirements in Section 3041 related to held for sale or disposal are applied[1]
(paragraphs 3041.80-.82)

(1) An agricultural producer shall not reclassify productive biological assets to agricultural inventories (paragraph 3041.16).