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ACCOUNTING BIOLOGICAL ASSETS IN DAIRY GOATS

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ABSTRACT

Biological assets in the form of plants or animals that undergo biological transformation. Biological transformations result in the entity obtaining gains or losses in the period the assets are recorded. This study aims to analyze the accounting treatment of biological assets in the dairy goat farming sector at CV Bhumi Nararya Farm Yogyakarta starting from recognition, measurement and disclosure based on Statement of Accounting Standards (PSAK 69). The approach taken in this scientific paper uses a descriptive approach to see, as well as describe the condition of the entity systematically, then it is analyzed in order to obtain suggestions for the development of the entity in the future. This research was conducted at CV Bhumi Nararya Farm Yogyakarta which is located in Dusun Kemirikebo, Desa Girikerto, Kapanewon Turi, Kabupaten Sleman, Yogyakarta. Based on the results of the study, it can be concluded that the accounting treatment of CV Bhumi Nararya Farm Yogyakarta includes the recognition, measurement and valuation of its biological assets in accordance with the accounting standard guidelines (PSAK 69) but there are deficiencies that need to be adjusted such as naming different accounts and there is no separation of categories for assets. producing and immature assets.

Keywords: Biological Assets, Accounting Treatment, PSAK 69.

1. INTRODUCTION

The livestock sub-sector is an important aspect of a country's economy. The availability of livestock products can directly improve the nutritional status of the community, especially in meeting the needs of calories and animal protein. Fulfilling the needs of calories and animal protein can improve the quality of human resources (Badan Pusat Statistik, 2020).

CV Bhumi Nararya Farm Yogyakarta is one of the businesses in the livestock sector. This entity is located in Dusun Kemirikebo, Desa Girikerto, Kapanewon Turi, Kabupaten Sleman, Yogyakarta. CV Bhumi Nararya Farm Yogyakarta focuses on the business of cultivating dairy goats. Based on the management classification, livestock business encourages the creation of a system in the farm. One of them is the accounting system. In the accounting system, this entity has different characteristics from entities in general because this entity has biological assets in the form of livestock and these assets increase and continue to grow.

Along with the increasing number of entrepreneurs in the dairy goat farming industry, business competition in this industry is getting higher. Good internal control will result in good business achievements from the business being carried out (Erawan & Julianto, 2020).

Since the convergence of IFRS in Indonesia, assets from activities related to agriculture are called biological assets. One of the changes in the recording with the convergence of

IFRS in Indonesia is the use of fair value and the emergence of PSAK 69 which became effective January 1, 2017. PSAK 69 provides regulatory guidelines on special criteria for biological assets and agricultural products.

Biological assets have characteristics that are different from other assets, so that entities that have biological assets must be able to use appropriate accounting policies to determine the value of their biological assets. Although biological assets are considered as assets, they are related to living organisms and cannot be amortized immediately after acquisition, as is generally the case in fixed asset accounting. In contrast to the value of fixed assets which always shrinks, the value of biological assets can increase as a result of growing, multiplying, increasing age/weight, not yet productive/productive/post-productive age.

Regarding the phenomena previously described, this study aims to analyze the accounting treatment of biological assets in the dairy goat farming sector at CV Bhumi Nararya Farm Yogyakarta including recognition, measurement and disclosure with reference to PSAK 69.

2. LITERATURE REVIEW

Regulations regarding biological assets are still relatively new, PSAK 69 concerning accounting for biological assets effective January 1, 2018. This research relates to the accounting for biological assets. The literature that reviews biological asset accounting is still relatively small and not many researchers have emphasized this topic significantly. Some of the literature related to this research, the authors use as a basis for understanding the use of modeling in the research method that will be used.

Biological Assets

Biological assets in PSAK 69 are defined as living animals or plants. PSAK 69 also explains which animals or plants are included in the category of biological assets. When associated with the characteristics of assets, the description of biological assets themselves as resources in the form of living things (livestock or agricultural plants) owned and managed by the company from past events in order to obtain economic benefits and wealth in the future. The biological assets can be divided into 2 (two) types based on the characteristics attached to the IAS 41 guidelines: a) consumable biological assets are biological assets that will be harvested as agricultural production or for sale purposes, for example meat production, livestock managed for sale, corn and wheat, and trees grown for timber and ready for sale. b) bearer assets are biological assets that are not classified as biological assets that run out, such as livestock for producing milk, grapevines, and trees that produce products that can be processed into raw materials while the trees are still alive. Carriers of biological assets that do not produce agricultural products are called self-regeneration.

The treatment of biological assets is classified as a unique asset because it undergoes a biological transformation process which results in changes both qualitatively and quantitatively to these biological assets. In PSAK 69 (paragraph 5) regarding biological transformation it is explained that "Biological transformation consists of processes of growth, degeneration, production and procreation which result in qualitative and quantitative changes in biological assets".

Accounting Treatment

Kieso and Weygant (2016) state that "accounting treatment is an accounting process in which the process contains rules and steps taken during the accounting process which include recognizing, recording and presenting financial information in the company's financial statements".

Recognition of Biological Assets

According to Farida (2013), recognition is the process of establishing an item that meets the definition of elements and recognition criteria in the balance sheet or income statement. Recognition is made by stating the item both in words and in the amount of money and including it in the balance sheet or income statement.

Measurement of Biological Assets

According to PSAK 69 and IAS 41, biological assets are measured at the initial recognition of an asset and at the end of each reporting period, measured at fair value less costs to sell, except for groups of biological assets whose fair value cannot be measured reliably. For agricultural products harvested from biological assets owned by companies, they are measured at fair value less costs to sell at the point of harvest. Fair value based measurement of biological assets reflects the process of biological transformation and the increase in value of these biological assets during the production cycle.

Disclosure of Biological Assets

According to Suwardjono (2014) the purpose of disclosure is to present information deemed necessary to achieve financial reporting objectives and to serve various parties who have different interests. The fact is that investors and creditors are not homogeneous but vary in sophistication. Because the capital market is the main vehicle for collecting funds from the public, disclosure may be required for protective, informative and special needs purposes. According to (IAI, 2015) in PSAK No. 69 Paragraph 50 states that an entity must present a reconciliation of the change in the carrying amount of biological assets between the beginning and the end of the current period.

PSAK 69 Accounting Standard Statement Agriculture

Summary PSAK 69 Agriculture provides accounting arrangements that include the recognition, measurement and disclosure of agricultural activities. PSAK 69 stipulates that biological assets or agricultural products are recognized when they meet several of the same criteria as the criteria for asset recognition. These assets are measured upon initial recognition and at the end of each financial reporting period at fair value less costs to sell. Gains or losses arising from changes in the fair value of assets are recognized in profit or loss in the period in which they occur. Exceptions are granted when it is clear that the fair value cannot be measured reliably.

Based on the literature review that has been described previously, a framework for thinking about this research can be made as follows:

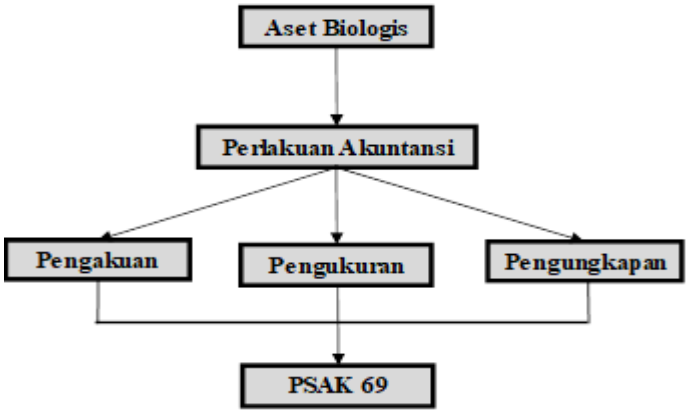

Figure1 Thinking Framework

3. DATA AND RESEARCH TECHNIQUE ANALISYS

This research uses descriptive research, namely research that aims to describe phenomena or research facts in real terms or as they are. Descriptive method is research that intends to describe the state of one or more variables independently (Sugiyono, 2016).

Lokasi Penelitian

This research was conducted at the dairy goat farming company CV Bhumi Nararya Farm which is located in Dusun Kemirikebo, Desa Girikerto, Kapanewon Turi, Kabupaten Sleman, Yogyakarta.

Method of collecting data

The data collection method in this study uses the documentation method by studying documents, archives and other data related to this research. The documents studied are company profiles, company history, organizational structure and financial data related to the company's biological assets for the 2021 period.

Metode Analisis Data

The method of data analysis in this study is by describing or describing data without intending to make general conclusions or generalizations (Sugiyono, 2016). The series of steps for analyzing research data are as follows: 1) Collecting data from the research object in the form of financial reports and notes on the disclosure of assets of the dairy goat company CV Bhumi Nararya Farm for the 2021 period. 2) Analyzing the suitability between the research object data and the application of the Statement of Financial Accounting Standards (PSAK)) 69 adaptation of IAS 41 on agriculture. 3) Analyze the treatment of biological assets including the recognition, measurement and disclosure of biological assets in the form of dairy goats as objects of research on the fairness of the information presented in the financial statements. 4) Make conclusions on the analysis of the accounting treatment of biological assets for the research activities that have been carried out.

4. RESULT AND DISCUSSION

Biological Asset Accounting Recognition Analysis

From the results of research that has been done, CV Bhumi Nararya Farm Yogyakarta has acknowledged the existence of a biological asset in the form of dairy goats. These biological assets are recognized because the entity obtains these assets from purchase or birth transactions where the entity feels it will benefit in the future and the value of these assets can be measured reliably. In the accounting policy of CV Bhumi Nararya Farm Yogyakarta, the biological assets in the form of dairy goats are grouped in the same account, namely the goat supply account. The following table shows the supply report for female goats based on livestock status for the 2021 period:

Tabel 1 Year Inventory Report of Female Goats 2021

Inventory of Female Goats 2021	Beginning Balance	Addition	Deduction	Reclassification	Ending Balance
Acquisition cost					
Cempe	25.000.000	168.000.000	148.000.000	-	45.000.000
Lepas Sapih	206.000.000	-	264.000.000	240.000.000	182.000.000
Dara	90.000.000	-	222.500.000	237.500.000	105.000.000
Dara PE	-	33.000.000	16.500.000	-	16.500.000
Indukan	990.000.000	-	216.000.000	135.000.000	909.000.000
Total Acquisition cost	1.311.000.000	201.000.000	867.000.000	612.500.000	1.257.500.000
Akm. Depreciation	-	-	-	-	-
Net Carrying Value	1.311.000.000	201.000.000	867.000.000	612.500.000	1.257.500.000

Source: Financial Report of CV Bhumi Nararya Farm 2021

Based on table 1, CV Bhumi Nararya Farm Yogyakarta has not grouped biological assets that have produced with biological assets that have not yet produced. Whereas in PSAK 69 biological assets are grouped into two, namely consumable biological assets and bearer biological assets or between mature biological assets and immature biological assets, to differentiate these biological assets based on the ability to produce products. agriculture.

Analysis of Biological Asset Accounting Measurements

Measurement of biological assets at CV Bhumi Nararya Farm Yogyakarta is carried out at the time of initial recognition and at each balance sheet date. Measurement of the biological assets of CV Bhumi Nararya Farm Yogyakarta is carried out based on the fair value approach, thus the price of biological assets is based on active market prices. This is in accordance with the measurement of biological assets based on PSAK 69 which is carried out at initial recognition and at each balance sheet date at fair value less costs to sell.

Measurement of livestock obtained from derivative products is measured based on fair value which has been adjusted to the active market price each year, while measurement of livestock obtained from purchases is measured based on acquisition cost. Any biological transformations that are experienced in purchased livestock or their derivatives will be adjusted based on the fair value that applies to active market prices. CV Bhumi Nararya

Farm Yogyakarta does not separate categories between biological assets obtained from derivatives and biological assets obtained from the purchasing process. This is in line with IAS 41 which does not distinguish between the accounting treatment for hereditary livestock and livestock originating from purchasing/procurement. Thus, there is no difference in the accounting treatment between derived livestock and purchased livestock.

Tabel 2 CV Bhumi Nararya Farm Female Goat Mutation Report Year 2021
(+) Not Yet (+) Mutation (+) Mutation (-) Selling (-) Death (-) Press
End Price

No	Categori	Early stock	Birth (+)	Buy (+)	Mutation (+)	Mutation (-)	Sale (-)	Death (-)	End stock	price	Total
1	Cempe	25	168			120	-	28	45	1.000.000	45.000.000
2	Lepas Sapih	103			120	95	22	15	91	2.000.000	182.000.000
3	Dara	36			95	41	36	12	42	2.500.000	105.000.000
4	Dara PE			20		4		6	10	1.650.000	16.500.000
5	Indukan	330			45		9	63	303	3.000.000	909.000.000
	Total										1.257.500.000

Source: Financial Report of CV Bhumi Nararya Farm 2021
Note: Assuming biological assets that produce broodstock when accumulated have a fair value of IDR 909,000,000. Meanwhile, immature biological assets in the form of cempe, weaning, virgin, PE virgin when accumulated have a fair value of IDR 385,000,000.

CV Bhumi Nararya Farm Yogyakarta admits that there is a biological transformation in its assets. Biological assets that undergo biological transformation will be measured based on the increase in body weight and age of the livestock. Every change in livestock status will result in an increase or decrease in value in accordance with the book value set by the company. Thus there will be profits and losses that occur at the end of each reporting period. This measurement of the transformation of biological assets is presented in the company's Profit and Loss Report in the asset reclassification account. This statement is in accordance with PSAK 69 paragraph 40 states that the entity discloses the combined gains and losses incurred during the current period at the time of recognition of biological assets and agricultural products, and from changes in fair value less costs to sell biological assets.

Biological Asset Accounting Disclosure Analysis

Based on research conducted by CV Bhumi Nararya Farm Yogyakarta, it has disclosed several things in its financial reporting, including CV Bhumi Nararya Farm Yogyakarta, which disclosed the type of status and the amount of biological assets, namely female goats with cempe status, weaning, heifers, PE virgins and broodstock into one group. recognized in the goat inventory account. Recognition of biological assets at CV Bhumi Nararya Farm Yogyakarta is carried out at the time of initial recording and at each balance sheet report based on fair value measurements.

CV Bhumi Nararya Farm Yogyakarta does not recognize any depreciation/amortization for biological assets that have experienced a decrease in productivity. However, CV Bhumi Nararya Farm Yogyakarta admits that there is a loss if a biological asset dies. Each livestock death is recognized according to the price determined in the calculation of the book value adjusted for the status of the livestock that

has died. This is in accordance with PSAK 69 which does not recognize depreciation so there is no method related to the depreciation of biological assets.

CV Bhumi Nararya Farm reconciles its biological assets which consist of additions, deductions and reclassifications. This is in accordance with PSAK 69 paragraph 50 which states that an entity shall present a reconciliation of changes in the carrying amount of biological assets between the beginning and the end of the current period..

Comparative analysis of the accounting treatment of biological assets carried out by CV Bhumi Nararya Farm with the Statement of Accounting Standards (PSAK 69) can be presented in the following table:

Tabel 3 Comparative Analysis of Biological Assets of CV Bhumi Nararya Farm with PSAK-69 Agriculture

No	Information	CV Bhumi Nararya Farm	PSAK 69 Agricultural	Analysis
1	Scope of Biological Asset Reporting	The company not only regulates and discloses biological assets but also processes milk into other processed products.	Regulate accounting treatment as well as agricultural activities before the point of harvest.	The application of PSAK 69 between entities is different, entities carry out management actions on agricultural products while PSAK 69 does not cover the management of a product only at the point of harvest.
2	Biological Assets	The company classifies biological assets based on livestock status and livestock age.	Grouping of biological assets based on the type and age of the biological assets.	The application between entities and PSAK 69 is appropriate based on the grouping of biological assets based on the type and age of biological assets.
3	Recognition of Biological Assets	Biological assets are recognized in one goat inventory account.	Recognition of biological assets must be grouped based on mature and immature biological assets and mature and immature biological assets.	The application between entities and PSAK 69 is different because the entity does not make a separation between producing biological assets and immature biological assets as in the provisions of PSAK 69.

4	Measurement of Biological Assets	Fair value is derived from active market prices. If not traded in an active market, fair value is determined using valuation techniques, namely current market usage where fair value less costs to sell.	1. The latest transaction market price provided that there has not been a significant change between the transaction date and the end of the reporting period. 2. Market prices for similar assets with adjustments. 3. Once the fair value of a biological asset can be reliably measured, the entity can measure it at fair value less the estimated costs of selling.	The fair value measurement used by the entity is in accordance with the application of fair value based on PSAK 69, namely using the prices that were in effect at that time.
5	Disclosure of Biological Assets	Any livestock that undergoes a biological transformation will be recognized on a fair value basis. Thus there will be gains and losses for the entity that are recorded in the company's profit and loss statement.	Gains/losses arising on initial recognition of assets at fair value less expenses are included in the income statement.	Recognition of gains and losses on biological assets is recognized and recorded by the entity in the income statement, so that it is in accordance with the provisions of PSAK 69.
6	Income statement	There is no depreciation/depreciation on biological assets. But there is a reclassification of assets which results in an increase in the income statement.	The recording of biological assets according to PSAK-69 does not recognize depreciation, so there is no accumulated depreciation on the profit/loss report which results in an increase in the profit/loss report.	The similarity between entities and PSAK 69 is that there is no recognition of accumulated depreciation resulting in an increase in the company's income statement.

5. CONCLUSION

Based on research on the accounting treatment of biological assets that has been carried out at CV Bhumi Nararaya Farm, it can be concluded that basically CV Bhumi Nararya Farm has acknowledged the existence of its biological assets which are recognized in one account, namely goat stock. The measurement of biological assets at CV Bhumi Nararya Farm uses the fair value method. Livestock obtained from purchase or derivative products will be measured based on active market prices. CV Bhumi Nararya Farm reveals the advantages and disadvantages of the biological transformation of its

livestock. Basically, the concept of biological asset accounting treatment at CV Bhumi Nararya Farm is in accordance with the provisions of the statement of accounting standards (PSAK 69), but not fully in accordance with the intended provisions. It would be nice if there was a separation of groups between mature and immature biological assets. So that in the future the company can assess the ability of biological assets in future cash flows.

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