

Recognition And Measurement Of Biological Assets Based On Psak 69 At Farm Layer Poultry Farm

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ABSTRACT

This study aims to analyze the recognition and measurement of biological assets at the Kairos Farm Layer Poultry Farm in Noongan Village, West Langowan District, based on the provisions of PSAK 69, as well as its application in managerial decision-making. The research method used is descriptive qualitative, with data collection techniques through observation, interviews, and documentation. The results indicate that the recognition of biological assets at Kairos Farm complies with PSAK 69 in terms of asset control and the generated economic benefits. However, in terms of measurement, the farm still utilizes the historical cost method due to the limitation of reliable market data to determine fair value. Despite the constraints in this fair value measurement, information regarding the acquisition cost and the value of biological assets proves to be a crucial basis for management in cost planning, expenditure control, and business performance evaluation. A more comprehensive implementation of PSAK 69 in the future is expected to improve the accuracy of financial statements and the effectiveness of decision-making.

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1. INTRODUCTION

Food is the most fundamental element inseparable from human life for survival. Beyond merely serving as fuel or an energy source to support daily activities, food plays a crucial role in physical growth, mental development, and maintaining optimal health. The quality and quantity of the food consumed significantly affect the level of well-being and productivity of individuals and society at large. Therefore, efforts to meet the need for food that is nutritionally balanced, guaranteed safe, available in sufficient quantities, and economically affordable must be prioritized.

Indonesia is known as a nation blessed with vast natural wealth, encompassing a diverse array of abundant animal and biological resources. Thanks to this extraordinary natural endowment, Indonesia has grown into a country capable of producing highly varied and abundant agricultural, plantation, and livestock products. As explained by Setiawan [1], agriculture encompasses all forms of activities related to the production of plants and animals for human consumption, including cultivation, animal husbandry, fisheries, and forest management. The agricultural sector plays a highly decisive role in the

success of national development, as it is not only responsible for ensuring food availability for the public but also serves as the primary economic foundation, particularly for rural communities (Nadziroh)[2].

Several previous studies indicate discrepancies in the application of Statement of Financial Accounting Standards (PSAK) 69 in the livestock sector. Research by Niken Rossianti[3] found that the implementation of PSAK 69 in livestock companies is not yet fully optimal, despite utilizing the standard's approach. Meanwhile, a study by Nur'i Hidayatush Shalichah [4] demonstrated that poultry farms still use simple methods in financial recording and have not fully applied fair value in accordance with PSAK 69. Furthermore, research by I Kadek Agus Setya Mahendra [5] indicated that limited knowledge and resources are the primary factors preventing business practitioners from applying PSAK 69 optimally. Similar findings were also reported by Kholifatul Khoiroh [6], stating that small-scale farms still practice simple bookkeeping and have not complied with prevailing accounting standards. This highlights a gap between accounting theory and field practice, particularly within the livestock MSME (Micro, Small, and Medium Enterprises) sector.

Based on this phenomenon, it is evident that issues persist in the recognition and measurement of biological assets according to PSAK 69, particularly in laying hen farms. This condition was also identified at Kairos Farm, a laying hen farm in Noongan Village, West Langowan District, which serves as the object of this research. Although this farm has grown operationally, its accounting practices still face limitations in applying fair value and managing financial information optimally. This research is significant because it not only examines the compliance of PSAK 69 implementation but also investigates how such accounting information is utilized in managerial decision-making. In the context of management accounting, information regarding the value of biological assets plays a vital role in cost planning, operational control, and business performance evaluation. Consequently, this study is expected to provide both theoretical and practical contributions to enhancing the understanding and application of biological asset accounting in the livestock sector.

Based on the latest data released by the Central Bureau of Statistics (BPS) in 2025[7], chicken egg production figures in the North Sulawesi region demonstrate a continuous upward trend over time. This consistent increase in production levels illustrates the dynamism of the regional livestock sector in fulfilling public consumption demands. Evidence of this significant growth can be examined in greater detail and substantiated through the structured data presented in the following table:

Table 1. Egg Production of Laying Hens in North Sulawesi

Year	North Sulawesi Laying Hen Egg Production
2020	32.996,22 Ton
2021	33.302,47 Ton
2022	30.760,56 Ton
2023	39.620,50 Ton
2024	37.180.936,71 Ton

Source : North Sulawesi Central Statistics Agency (2025)

Examining the data in Table 1.1, it is evident that the production volume of commercial layer chicken eggs in the North Sulawesi region has exhibited a fluctuating trend over the past five years. In 2020, production figures stood at 32,996.22 tons, then climbed slightly to 33,302.47 tons in 2021, before eventually declining to 30,760.56 tons in 2022. Entering 2023, there was rapid growth, reaching 39,620.50 tons; however, the data for 2024 showed a highly anomalous figure of 37,180,936.71 tons. This extreme spike is statistically considered unnatural and is strongly suspected to be the result of a data input error or recording mistake. Nevertheless, overall, the data reflects that the laying hen sector in North Sulawesi holds substantial prospects in supporting the animal protein needs of the broader community.

Regarding the recording aspect, PSAK 69: Agriculture, formulated by the Indonesian Institute of Accountants (Ikatan Akuntan Indonesia/IAI) and effective since January 1, 2018, serves as the primary guideline for managing the recognition and measurement of biological assets and agricultural produce. Based on the explanation by Falikhatusun & Kurniawati [9], PSAK 69 stipulates that a biological asset must be recognized if the entity exercises full control over the asset, there is a potential for future economic benefits, and its value can be measured reliably. The measurement process for these assets is based on fair value less estimated costs to sell, both at initial recognition and at the end of each financial reporting period. Any variance or change in the fair value of biological assets during the reporting period must be recognized immediately in the company's income statement for that respective period.

In practice, previous studies have demonstrated diverse results regarding the implementation of this standard. Research by Lia Wulan Wahyuni [10] on Barokah Farm found that although recognition and measurement aligned with PSAK 69, the comprehensive implementation of biological asset accounting was not yet fully compliant. Conversely, Lutfi Bimantoro [11] concluded that PT XYZ Cattle Farm failed to follow the standard, as the company did not report increases in biological asset values arising from fair value calculations—an omission that violates PSAK 69 regulations requiring such increases to be recorded in both the income statement and the statement of financial position. Despite the explicit mandate to record biological assets at fair value less costs to sell, many poultry enterprises, particularly MSMEs, continue to rely on historical costs. This discrepancy primarily stems from limited accounting literacy, a shortage of financial personnel, and difficulties in obtaining reliable market prices, frequently leading to substandard financial reporting and the omission of fair value fluctuations.

This distinct gap between accounting theory and real-world practice is the fundamental motivation for conducting this research at "Kairos Farm" in Minahasa Regency. The farm was selected as the research object due to its advanced management, operational scale, and a strategic partnership with the researcher's family business.

While numerous studies have extensively examined the compliance of biological asset recognition and measurement with PSAK 69, the majority of this literature predominantly focuses on the financial accounting perspective and external reporting obligations. The novelty of this research lies in its integration of PSAK 69 implementation with the management accounting framework within the context of a Micro, Small, and Medium Enterprise (MSME) livestock operation. Unlike prior research that treats fair value measurement merely as an administrative compliance issue, this study uniquely positions the standard as a strategic managerial tool. Reliable fair value information is essential for internal decision-making, including cost planning, pricing, risk management, and evaluating operational efficiency. By deeply examining the practical challenges and managerial tactics involved in adopting PSAK 69—particularly in environments lacking an active local market—this research aims to transform the standard from a mere administrative burden into an effective managerial instrument. Ultimately, this study seeks to provide comprehensive insights into the proper management and reporting of biological assets, thereby enhancing business owners' awareness of the strategic value of PSAK 69 compliance for sustainable business growth.

2. METHOD

2.1 Research Design

This study employs a descriptive qualitative approach to evaluate the recognition and measurement of biological assets in accordance with PSAK 69, as well as its implication for managerial decision-making. The research was conducted at Kairos Farm, a laying hen enterprise located in Noongan Village, West Langowan District, Minahasa Regency, North Sulawesi. The study integrates both qualitative data (e.g., operational narratives and accounting policies) and quantitative data (e.g., expenditure records for poultry stock, feed, and housing). This approach allows the researcher to explore the phenomena in-depth and provide descriptive narratives based on actual field conditions.

2.2 Informants

To ensure the accuracy and relevance of the qualitative data, the informants for this study were selected based on their direct involvement in and knowledge of the farm's financial and operational activities. The key informants include the business owner of Kairos Farm and the personnel explicitly responsible for managing and preparing the farm's financial records. These individuals were chosen to provide authoritative explanations regarding the internal accounting policies currently applied to the biological assets.

2.3 Data Collection

Data was gathered comprehensively through three primary techniques: observation, in-depth interviews, and documentation. Direct field observations were conducted at Kairos Farm to capture a realistic depiction of the daily operational activities and to verify the physical condition of the biological assets. Face-to-face interviews utilizing a structured question-and-answer format were held with the targeted informants to obtain detailed information concerning the farm's current biological asset accounting practices. Additionally, a document study was performed to collect vital secondary data, which encompasses the company's historical background, organizational structure, financial reports, and purchasing archives..

2.4 Data Analysis

The collected data was processed using a descriptive analysis method as outlined by Sugiyono [12]. The analysis was conducted systematically to select and interpret data that aligns with the formulated research problem. The analysis process consists of four sequential stages: (1) field data collection, where raw data is gathered from observations, interviews, and farm documents; (2) data presentation, which involves structuring the findings to provide a clear depiction of the farm's practices; (3) data discussion, where the presented data is interpreted, evaluated, and correlated with the theoretical concepts of PSAK 69 and management accounting; and (4) drawing conclusions and formulating practical recommendations to improve the farm's biological asset reporting system.

3. RESULT AND DISCUSSION

3.1 Recognition of Biological Assets

The findings indicate that Kairos Farm recognizes biological assets when ownership and control over the laying hens have been obtained. The biological assets consist of day-old chicks (DOC) and laying hens that are managed directly by the farm to produce eggs as the primary source of revenue. Based on interviews with the owner, Mr. Yanni Toar, the farm has full control over these assets, while the expected future economic benefits arise from egg production and the sale of culled hens at the end of their productive lives. In addition, all acquisition costs, including the purchase price of DOC, vaccines, medicines, and initial coop preparation costs, are systematically recorded as the initial value of biological assets.

The initial acquisition cost of immature biological assets amounted to IDR 69,855,000, consisting of the purchase cost of 4,500 day-old chicks together with directly attributable expenditures incurred to prepare the chickens for production. This amount represents the carrying value of biological assets at initial recognition before entering the production stage.

These findings demonstrate that the recognition process implemented by Kairos Farm generally complies with the recognition criteria stipulated in PSAK 69 (Agriculture). According to PSAK 69, biological assets shall be recognized when the entity controls the assets as a result of past events, future economic benefits are probable, and the fair value or cost of the assets can be measured reliably. At Kairos Farm, these criteria have been fulfilled because ownership of the chickens has legally transferred

to the farm, future economic benefits are expected from egg production and culled chicken sales, and acquisition costs can be measured reliably through purchase invoices and supporting documentation.

From a theoretical perspective, PSAK 69 emphasizes that the recognition of biological assets is based on control over the assets rather than their production stage. Consequently, biological assets do not need to generate revenue before being recognized in the financial statements. Immature laying hens already qualify as biological assets because they are controlled by the entity and are expected to provide future economic benefits through biological transformation. This finding is also consistent with the asset recognition concept within the Conceptual Framework for Financial Reporting, which states that an asset should be recognized when it is probable that future economic benefits will flow to the entity and when the asset can be measured reliably.

Although the recognition process complies with PSAK 69, Kairos Farm still records biological assets primarily based on acquisition costs without integrating fair value information during subsequent reporting periods. This practice does not affect the initial recognition of biological assets but may influence the quality of financial information presented in subsequent measurements because changes in the biological condition of the animals are not reflected in the carrying amount of the assets.

The findings are consistent with the study conducted by Nur'i Hidayatush Shalichah (2021), which reported that poultry farms generally recognize biological assets once day-old chicks have been purchased and controlled by the entity. The similarity between the two studies is primarily attributable to the straightforward recognition requirements established in PSAK 69. Ownership and physical control over livestock are relatively easy to verify, enabling even small-scale poultry farms to satisfy the recognition criteria despite having limited accounting systems.

Similarly, Rossianti and Wibowo (2023) found that biological asset recognition generally complies with PSAK 69 because livestock enterprises usually possess complete ownership documentation and maintain direct control over their biological assets. These similarities indicate that recognition is not the primary challenge in implementing PSAK 69. Instead, difficulties tend to arise during the subsequent measurement process, particularly when entities are required to determine fair value.

Unlike previous studies that primarily focused on compliance with accounting standards, this research also highlights the managerial importance of recognizing biological assets. Proper recognition enables management to identify the amount of investment allocated to livestock, estimate future production capacity, monitor asset growth, and establish a reliable basis for operational planning. Consequently, recognition serves not only as a financial reporting requirement but also as an essential source of information supporting managerial planning and resource allocation.

Overall, the findings suggest that Kairos Farm has successfully implemented the recognition requirements of PSAK 69. The farm recognizes biological assets based on ownership, control, future economic benefits, and reliable acquisition cost measurement. Nevertheless, the subsequent accounting treatment still requires improvement to ensure that the information presented remains relevant throughout the biological transformation process.

Table 2. Acquisition Price of Kairos Farm Biological Assets

Component	Amount (IDR)
Purchase of 4,500 day-old chicks	67.500.000
Vaccines and medicines	2.250.000
Coop disinfection	105.000
Initial recognition of biological assets	69.855.000

Source: Kairos Farm Data, Noongan Village 2024

3.2 Measurement of Biological Assets

The results indicate that Kairos Farm continues to measure its biological assets using the historical cost method rather than the fair value less costs to sell approach required by PSAK 69. The carrying amount of biological assets is determined based on the acquisition cost of day-old chicks together with all expenditures directly attributable to raising the chickens until they become productive. These expenditures include feed, medicines, vaccines, labor, electricity, water, and other operational costs associated with maintaining the biological assets.

Based on the farm's accounting records and interviews with the owner, the initial acquisition cost of immature biological assets amounted to IDR 69,855,000. After incorporating maintenance costs incurred during the growing period, the carrying amount of immature biological assets increased to IDR 437,855,000. Once the chickens reached their productive stage, annual production costs—including allocated acquisition costs and maintenance expenditures—amounted to IDR 2,054,927,500, equivalent to approximately IDR 373,623 per productive hen per year. Table 3 summarizes the carrying amounts of biological assets calculated using the historical cost approach.

Table 3. Summary of Biological Asset Measurement at Kairos Farm

Biological Assets	Measurement Basis	Carrying Amount (IDR)
Immature laying hens	Historical cost	437.855.000
Productive laying hens	Historical cost	2.054.927.500
Estimated fair value of culled hens	Fair value less costs to sell	85.075.000

Source: Kairos Farm, Processed Data (2024)

Unlike productive and immature laying hens, culled hens were measured using an estimated selling price less transportation and selling costs because an observable market price was available at the time of disposal. Consequently, the estimated fair value less costs to sell for culled hens in 2024 was IDR 85,075,000. The findings reveal that Kairos Farm has not yet fully implemented the measurement requirements of PSAK 69. Paragraph 12 of PSAK 69 requires biological assets to be measured at fair value less costs to sell both at initial recognition and at the end of each reporting period, except when fair value cannot be measured reliably. In contrast, Kairos Farm continues to use historical cost because management considers acquisition costs and accumulated maintenance expenditures to provide a more practical and reliable basis for valuing biological assets.

Interviews with the owner identified several factors explaining why historical cost remains the preferred measurement method. First, there is no active local market for productive laying hens that provides observable prices suitable for determining fair value. Market transactions involving laying hens are relatively infrequent and often depend on negotiated prices rather than standardized market quotations. Consequently, management faces considerable difficulty in obtaining objective market data that satisfy the reliability requirements of PSAK 69.

Second, Kairos Farm operates as a medium-scale livestock enterprise with limited accounting resources. Determining fair value would require periodic market assessments, professional valuation techniques, and continuous monitoring of market price fluctuations. These activities would increase administrative costs without necessarily providing proportional benefits to daily operational management. Therefore, management considers historical cost to be more practical and economically feasible under existing operational conditions.

Third, management's primary objective is internal operational control rather than external financial reporting. The farm focuses on monitoring production costs, feed efficiency, labor utilization, and profitability. Historical cost information adequately supports these objectives because it reflects the actual expenditures incurred during production. Consequently, management prioritizes cost accumulation over periodic revaluation of biological assets.

From the perspective of accounting theory, the findings illustrate a trade-off between reliability and relevance, as explained in the Conceptual Framework for Financial Reporting. Historical cost provides highly verifiable information because it is supported by purchase invoices and documented expenditures. However, it is less relevant for representing the current economic value of biological assets because it ignores biological transformation and changes in market prices. Conversely, fair value reflects current economic conditions and provides more relevant information for users of financial statements, although determining fair value may involve greater estimation uncertainty when active markets are unavailable.

The findings are also consistent with the fundamental principles of PSAK 69, which emphasize that biological transformation continuously changes the value of living assets. Poultry experience physical growth, productivity changes, and declining economic value as they approach the end of their productive life. Consequently, fair value measurement is intended to capture these changes in biological value. By relying exclusively on historical cost, Kairos Farm does not recognize gains or losses arising from biological transformation, resulting in financial statements that may not fully represent the current economic value of its biological assets.

These findings are consistent with Mahendra (2021), who reported that livestock enterprises generally continue to rely on historical cost because determining fair value is difficult in the absence of reliable market information. Similar conditions were observed in Kairos Farm, where management encounters practical constraints in identifying objective market prices for productive laying hens. The similarity between the studies indicates that the implementation of PSAK 69 remains challenging for livestock enterprises operating in environments without active biological asset markets.

Likewise, David Ciandy [13] found that many agricultural entities have not fully implemented fair value measurement because of limited accounting expertise, insufficient valuation techniques, and restricted access to market information. Kairos Farm experiences comparable constraints, suggesting that the challenges associated with PSAK 69 are not limited to one enterprise but represent a broader issue faced by many agricultural businesses, particularly small and medium-sized enterprises.

However, these findings differ from those reported by Wardhani [14], who concluded that entities applying fair value produced financial statements with higher relevance and stronger decision usefulness. The difference between the studies may be explained by variations in organizational characteristics. Larger enterprises generally possess more sophisticated accounting systems, greater financial resources, and easier access to market information, enabling them to implement PSAK 69 more effectively. In contrast, Kairos Farm operates under resource constraints that limit the practical implementation of fair value accounting despite understanding the standard's requirements.

The continued use of historical cost also has important implications for financial reporting quality. First, the carrying amount of biological assets may differ materially from their current economic value because biological transformation is not reflected in the accounting records. Second, unrealized gains or losses arising from changes in market prices remain unrecognized, potentially reducing the relevance of financial statements for external stakeholders. Third, comparisons between reporting periods become less informative because changes in biological asset values are not incorporated into financial performance.

Nevertheless, historical cost continues to provide valuable information for internal managerial purposes. The accumulated cost data enable management to evaluate feed efficiency, estimate production costs, prepare operational budgets, determine selling prices, monitor profitability, and assess the financial consequences of livestock mortality. Consequently, although historical cost does not fully comply with PSAK 69, it remains useful for supporting day-to-day managerial decision-making at Kairos Farm.

Overall, the findings demonstrate that Kairos Farm has partially implemented the measurement principles of PSAK 69. While biological assets are measured reliably using historical cost, the farm has

not yet adopted fair value measurement because of market limitations, resource constraints, and operational considerations. Future implementation of fair value accounting, supported by more reliable market information and improved accounting capability, would enhance the relevance, comparability, and decision usefulness of the farm's financial statements while maintaining the reliability required by accounting standards.

3.3 Biological Asset Mortality

The findings indicate that Kairos Farm records biological asset mortality throughout the production cycle to monitor livestock losses and evaluate production performance. Based on interviews with the farm owner, mortality is documented whenever chickens die during either the immature or productive stage. In 2024, mortality consisted of 430 immature laying hens and 300 productive laying hens. These mortality records are subsequently used to estimate the economic losses associated with biological assets. Table 4 presents a summary of biological asset mortality during the 2024 reporting period.

Table 4. Biological Asset Mortality at Kairos Farm in 2024

Biological Assets	Number of Deaths	Estimated Loss (IDR)
Immature laying hens	430	41.839.430
Productive laying hens	300	112.086.900
Total	730	153.926.330

Source: Kairos Farm, Processed Data (2024)

The results demonstrate that mortality represents an unavoidable production risk in poultry farming. Mortality rates are relatively higher during the immature stage because day-old chicks are more susceptible to environmental conditions, disease outbreaks, and adaptation stress. As chickens become productive, mortality generally declines because their immune systems and physical conditions become more stable. Nevertheless, productive laying hens remain vulnerable to disease, aging, and declining physiological performance, which eventually lead to culling or death.

From an accounting perspective, biological asset mortality directly affects the carrying amount of biological assets. Whenever a chicken dies, the entity loses the future economic benefits expected from that asset. Consequently, the carrying amount of the deceased biological asset should be derecognized and recognized as a loss in the period in which the mortality occurs. This accounting treatment is consistent with the principles of PSAK 69, which require entities to recognize changes in biological assets arising from biological transformation, harvest, or other events affecting their economic value. The findings indicate that Kairos Farm has already documented mortality events; however, the accounting treatment remains relatively simple. Mortality information is primarily utilized for operational monitoring rather than being integrated systematically into the financial reporting process. As a result, the financial statements do not fully reflect the reduction in biological asset value caused by mortality during the reporting period.

From the perspective of PSAK 69, biological assets continuously undergo biological transformation that includes growth, degeneration, production, and reproduction. Mortality represents one form of degeneration that reduces the quantity and economic value of biological assets. Therefore, proper accounting treatment should ensure that mortality is recognized promptly so that the carrying amount of biological assets presented in the financial statements reflects actual farm conditions. The findings also support the Decision Usefulness Theory, which emphasizes that financial information should faithfully represent the economic events occurring within an entity. Failure to recognize biological asset mortality appropriately may result in overstated asset values and profitability, thereby reducing the reliability of financial statements for both internal and external users.

These findings are consistent with Asnita Juliana Tampubolon [15], who reported that many livestock enterprises have not yet implemented systematic accounting procedures for recording biological asset mortality. Similar to Kairos Farm, mortality is generally documented for operational purposes rather than incorporated into comprehensive accounting records. This similarity indicates that mortality accounting remains one of the most challenging aspects of implementing PSAK 69 among livestock enterprises. Likewise, Khoiroh and Pravitasari (2023) found that poultry farms often experience limitations in recording changes in biological assets resulting from mortality because accounting systems are still relatively simple and focus primarily on cash receipts and expenditures. The similarity between the present study and previous research can be attributed to the characteristics of small and medium-sized livestock enterprises, where accounting practices are largely intended to support daily operational activities rather than comply fully with financial reporting standards.

Despite these similarities, the present study extends previous research by estimating the economic value of biological asset mortality. Instead of merely identifying the number of chickens that died, this study quantifies the estimated financial losses associated with mortality. This approach provides additional managerial information that can be used to evaluate production efficiency, identify major sources of livestock losses, and formulate preventive strategies to reduce mortality rates in future production cycles. From a managerial perspective, mortality information plays an important role in evaluating farm performance. High mortality rates may indicate deficiencies in feed quality, disease prevention, environmental management, or livestock handling practices. Consequently, management can utilize mortality data to strengthen biosecurity programs, improve vaccination schedules, optimize environmental conditions within poultry houses, and increase production efficiency. Furthermore, mortality information contributes to more accurate production planning because it enables management to estimate the number of productive hens available for future egg production.

Overall, the findings suggest that Kairos Farm has recognized the operational importance of recording biological asset mortality. However, greater integration between mortality records and accounting practices is still required to ensure compliance with PSAK 69. Systematic recognition of mortality losses would improve the reliability of financial statements while simultaneously providing more comprehensive information for managerial decision-making, operational evaluation, and long-term business sustainability.

3.4 Managerial Implications of PSAK 69 for Decision-Making

The findings indicate that biological asset accounting information plays a significant role in supporting managerial decision-making at Kairos Farm. Although the farm has not yet fully implemented the fair value measurement required by PSAK 69, information regarding biological asset acquisition costs, maintenance expenditures, mortality rates, production output, and revenue remains an essential basis for planning and controlling farm operations.

Based on interviews with the owner, accounting information is routinely used to evaluate feed consumption, estimate production costs, monitor operational expenditures, determine production capacity, and assess business profitability. Feed expenditure represents the largest component of production costs; therefore, accurate cost information enables management to identify opportunities for improving production efficiency and reducing unnecessary expenses.

The study further reveals that information derived from biological asset accounting contributes to several managerial decisions. First, management utilizes cost information to prepare operational budgets and estimate future cash requirements for purchasing feed, medicines, vaccines, and other production inputs. Second, production cost information assists management in determining appropriate selling prices that maintain profitability while remaining competitive within the local market. Third, biological asset information supports production planning by estimating the number of productive laying hens available for egg production after considering mortality rates and culling schedules. Finally, financial

information enables management to evaluate business performance by comparing production costs with sales revenue generated during each reporting period.

These findings are closely related to Management Accounting Theory, which states that accounting information serves three primary managerial functions: planning, controlling, and decision-making. Rather than functioning solely as a reporting mechanism for external stakeholders, accounting information provides managers with relevant data for allocating resources efficiently, evaluating operational performance, and formulating future business strategies. Within Kairos Farm, biological asset information supports these managerial functions by providing measurable information regarding investment in livestock, production costs, and expected economic returns.

From the perspective of Decision Usefulness Theory, accounting information should possess qualitative characteristics that enable users to make better economic decisions. Information concerning biological assets becomes useful when it faithfully represents the economic condition of the farm and provides relevant data for predicting future financial performance. Although historical cost information provides reliable evidence of expenditures incurred, it may not fully represent the current economic value of biological assets because biological transformation and market price fluctuations are not recognized in the financial statements. Consequently, managerial decisions based solely on historical cost may underestimate or overestimate the current value of biological assets under changing market conditions.

The findings also reinforce the objectives of PSAK 69, which emphasize that fair value measurement provides more relevant information regarding the economic value of biological assets. By recognizing changes in fair value throughout the production cycle, management can better evaluate the financial impact of biological transformation, market price fluctuations, and productivity changes. Therefore, implementing fair value measurement not only enhances compliance with accounting standards but also improves the quality of information available for strategic decision-making.

The findings are consistent with Anjumiz Kinanthi Rahayu [16], who concluded that effective biological asset management contributes positively to managerial decision-making because managers obtain more comprehensive information regarding livestock performance and operational efficiency. The similarity between the two studies arises from the fact that biological assets constitute the primary productive resources within livestock enterprises. Consequently, accurate accounting information regarding these assets directly influences managerial decisions concerning production planning, operational control, and resource allocation.

Similarly, Farah Fauziah [8] reported that implementing PSAK 69 improves management's ability to evaluate biological assets and enhances the quality of financial information used in decision-making. However, the present study also demonstrates that practical limitations remain significant, particularly for medium-sized livestock enterprises operating in areas where active biological asset markets are unavailable. These constraints explain why Kairos Farm continues to rely primarily on historical cost despite recognizing the potential benefits of fair value accounting.

Unlike previous studies that mainly evaluated compliance with PSAK 69, the present research demonstrates how biological asset accounting information is translated into practical managerial actions. Rather than merely fulfilling financial reporting requirements, accounting information is actively utilized to control feed costs, evaluate mortality rates, determine replacement schedules for laying hens, estimate future production capacity, and measure overall business profitability. This finding represents the primary contribution of the study by illustrating that PSAK 69 has practical value not only for financial reporting but also for improving managerial performance within livestock enterprises.

The findings also suggest several managerial implications. First, Kairos Farm should gradually strengthen its accounting information system by integrating biological asset records with periodic performance evaluations. Second, management should develop procedures for estimating fair value whenever reliable market information becomes available, thereby improving the relevance of financial

reporting. Third, mortality records should be incorporated into financial reporting rather than being used solely for operational monitoring. Finally, more comprehensive biological asset information would enable management to make more accurate investment, production, and expansion decisions while reducing uncertainty associated with livestock operations.

Overall, the implementation of PSAK 69 at Kairos Farm demonstrates that biological asset accounting information provides significant benefits for managerial decision-making despite the continued use of historical cost. Future improvements in fair value measurement and accounting information systems are expected to enhance the quality of financial reporting, strengthen managerial planning and control, and support the long-term sustainability of livestock enterprises.

4. CONCLUSION

This study aimed to analyze the recognition and measurement of biological assets at Kairos Farm based on PSAK 69 and to examine the role of PSAK 69 in managerial decision-making.

First, the findings indicate that the recognition of biological assets at Kairos Farm generally complies with the recognition criteria of PSAK 69. Biological assets are recognized when the farm obtains control over the laying hens, future economic benefits are expected, and acquisition costs can be measured reliably. Therefore, the recognition process implemented by Kairos Farm is consistent with the requirements of PSAK 69 regarding asset recognition.

Second, the measurement of biological assets has not yet fully complied with PSAK 69. Kairos Farm continues to apply the historical cost method because reliable market information for determining fair value is unavailable. Consequently, although the historical cost approach provides reliable cost information for farm operations, it does not fully reflect the current economic value of biological assets as required by PSAK 69.

Third, the findings demonstrate that biological asset information plays an important role in managerial decision-making. Information regarding acquisition costs, maintenance costs, biological asset mortality, production, and revenue is utilized by management to support budgeting, operational cost control, production planning, and business performance evaluation. Accordingly, although the implementation of PSAK 69 has not yet been fully achieved in terms of fair value measurement, biological asset accounting information remains valuable in supporting managerial decisions and improving operational effectiveness at Kairos Farm.

Overall, this study shows that PSAK 69 has been partially implemented at Kairos Farm. Recognition practices generally comply with the standard, while measurement practices still require improvement to achieve full compliance. Nevertheless, biological asset accounting information has demonstrated practical value in supporting managerial decision-making within the farm.

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