

## 26. Cultivated assets

**The problem:** During the System of Economic and Environmental Accounts discussions, it was agreed that the present definition of cultivated assets in the SNA is ambiguous. Should the SNA's definition be tightened as follows: "cultivated assets cover livestock for breeding, dairy, draught, etc. and vineyards, orchards and other trees yielding repeat products *whose natural growth and regeneration* is under the direct control, responsibility and management of institutional units"? The words in bold italics replace the words "that are" in the SNA.

### Statistics Finland's comment:

The definition above refers to cultivated **fixed** assets only and **not to work in progress** on cultivated assets where however the main clarification problems exist (forests). So in the Annex of Chapter 13 there should be the following supplement in the definition for work in progress on cultivated assets (AN.1221):

Work-in-progress on cultivated assets (AN.1221)

Livestock raised for products yielded only on slaughter, such as fowl and fish raised commercially, trees and other vegetation yielding once-only products **whose natural growth and regeneration are under the direct control, responsibility and management of institutional unit** and immature cultivated assets yielding repeat products.

Because particularly for forests boundary problems between cultivated and non-cultivated assets in any case exist it would be useful if in the SNA there would be a text proposed by Anne Harrison for Canberra group in the paper 'Issues paper on cultivated assets' (23 February 2004) on second page beginning 'Further, it should be understood that...' Very important is to add the last sentence 'Further, the level of this production activity has to be significant relative to the value of the resource and directly connected with the forest, animal or fish stock in question.'