DOES PROFITABILITY MODERATE THE RELATIONSHIP BETWEEN BIOLOGICAL ASSET INTENSITY AND DISCLOSURE? EVIDENCE FROM PSAK 69 IMPLEMENTATION

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BACKGROUND : Agricultural companies exhibit unique characteristics due to their management of biological **assets**, such as crops, livestock, and agricultural produce, which undergo biological transformation and fair value changes over time. Biological assets represent a key element in the operational activities of agricultural entities. The disclosure of biological assets is a critical component of financial reporting in the agricultural sector, especially following the adoption of PSAK 69**:** Agriculture. This standard aims to enhance the transparency and accountability of biological asset reporting through the application of fair value measurement. However, disclosure practices of biological assets remain inconsistent across entities. Despite several years of implementation, the disclosure of biological assets in Indonesia continues to face challenges whether technical, operational, or due to limited understanding by preparers

METHOD : This study employs **a quantitative research approach,** utilizing Partial Least Squares (PLS) regression analysis on secondary data derived from the financial statements of agricultural companies listed on the Indonesia Stock Exchange (IDX**)**. The sample consists of 17 companies observed over a three-year period. Data were collected through documentation methods, specifically from secondary sources available at the IDX Corner of the Faculty of Economics and Business, UMI, and from the official IDX database.

RESULTS & DISCUSSION: The statistical results indicate that biological asset intensity has a positive but statistically insignificant effect on the level of disclosure. Furthermore, profitability was found to moderate the relationship between biological asset intensity and disclosure, in a way that weakens the influence. In addition, profitability itself has a positive and statistically significant impact on disclosure levels.

CONCLUSION : This study reveals the complex dynamics behind the disclosure of biological assets. A higher intensity of biological assets does not necessarily lead to increased disclosure. Moreover, profitability, rather than enhancing transparency, appears to act as a deterrent to more extensive disclosure. Conceptually, greater profitability should provide companies with the financial capacity to disclose more comprehensive information regarding their biological assets, particularly when such assets are material. The moderating effect of profitability supports the argument that financial performance can shape disclosure incentives. However, the mere possession of significant biological assets does not automatically drive higher transparency. These findings suggest that disclosure decisions are more strategically motivated, for instance, to protect competitive advantage related to profitability rather than being purely a

response to the size or value of biological asset holdings. Future research is encouraged to expand the scope of moderating variables and incorporate data from other sectors for broader generalization
KEYWORDS : Biological Asset Intensity; Profitability; PSAK 69; ; Financial Reporting; Disclosure Practices