

## FAS 133 Timeline

- April 2004 NGTC, Chicago Board of Trade, Kansas City Board of Trade, Minneapolis Grain Exchange and the National Institute of Oilseed Products (NIOP) send a letter to the Financial Accounting Standards Board (FASB) outlining concerns with FAS 133.
- May 2004 During two board meetings, FASB discusses our concerns with FAS 133. Staff expresses reluctance to take on a new project, so the Board indicates it may be considered as part of the convergence project with the International Accounting Standards Board in the fall.
- August 2004 NGTC sends a follow-up letter to confirm that our issues would be a part of the convergence project.
- September 2004 NGTC receives a written response indicating that FASB does not see our issue as one for convergence.
- October 2004 NGTC begins discussing our concerns with Hill staff.
- March 2005 NGTC includes a brief statement about FAS 133 in CFTC reauthorization testimony before the House Agriculture Committee and in written statement submitted for the record on the Senate side.
- May 2005 NGTC learns that FASB intends to open a new FAS 133 project in June. We hope that our issues will be included in this new project.
- June 7, 2005 NGTC, Chicago Board of Trade, Kansas City Board of Trade, Minneapolis Grain Exchange, and NIOP send a letter to FASB asking that the new FAS 133 project include our concerns.
- June 28, 2005 NGTC sends a letter signed by eight members of Congress to the Financial Accounting Standards Board (FASB) calling on FASB to outline a timeframe for review as it pertains to the concerns and suggestions for change voiced by NGTC. Signatories to the letter were Senators Bond (R-MO), Brownback (R-KS), Dayton (D-MN), Roberts (R-KS), and Talent (R-MO) and Representatives Graves (R-MO), Johnson (R-IL) and Moran (R-KS).
- July 2005 NGTC calls Congressional offices to provide a status report.
- August 25, 2005 NGTC and representatives from the Chicago Board of Trade, Kansas City Board of Trade and Minneapolis Grain Exchange brief Financial Accounting Standards Board (FASB) staff, as a result of our June letter signed by eight members of Congress. The lengthy briefing helped educate FASB staff about the negative consequences of Financial Accounting Statement 133 (FAS 133) on grain and food processors. We provided a number of industry examples that highlight how hedging agricultural components mirrors the hedging of financial instruments, which is permitted under FAS 133.

## **FAS 133 Timeline cont'd**

- October 19, 2005 NGTC and representatives from the Chicago Board of Trade, Kansas City Board of Trade, and Minneapolis Grain Exchange hold a follow-up briefing with Financial Accounting Standards Board (FASB) staff.
- October 28, 2005 NGTC, ARAMARK Corporation, Chicago Board of Trade, ConAgra Foods, Flowers Foods, Inc., General Mills, Inc., Kansas City Board of Trade, Minneapolis Grain Exchange, and PepsiCo, Inc. submit proposed clarifications of Financial Accounting Statement 133 to Financial Accounting Standards Board.
- February 2006 NGTC is successful in getting FASB to revisit FAS 133 at a Board meeting on February 15, 2006. By a one-vote margin, the FASB decides against initiating a project to clarify FAS 133 as requested by NGTC to allow hedging of components of non-financial items.
- April 2006 NGTC, joined by the Chicago Board of Trade, Kansas City Board of Trade and Minneapolis Grain Exchange writes FASB to suggest that our continuing issues with FAS 133 be addressed as part of FASB's codification and simplification effort.
- NGTC begins researching other avenues for addressing FAS 133, including the International Accounting Standards Board (IASB).
- May 2007 FASB decided to add a FAS 133 project to the Board's agenda. The Board instructed staff to review the "fair value approach," which would eliminate critical terms matching and assessing effectiveness.