

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission file number: 1-3390

SEABOARD CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

*(State or other jurisdiction of
incorporation or organization)*

04-2260388

(I.R.S. Employer Identification No.)

9000 West 67th Street, Merriam, Kansas 66202

(Address of principal executive offices) (Zip Code)

(913) 676-8800

(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock \$1.00 Par Value	NYSE MKT

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

None

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "larger accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the 262,616 shares of Seaboard common stock held by nonaffiliates was approximately \$925,986,642, based on the closing price of \$3,526.01 per share on July 2, 2015, the end of Seaboard's most recently completed second fiscal quarter. As of January 29, 2016, the number of shares of common stock outstanding was 1,170,550.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following documents are incorporated by reference into the indicated parts of this report: (1) Seaboard Corporation's annual report to stockholders furnished to the Commission pursuant to Rule 14a-3(b) – Parts I and II; and (2) Seaboard Corporation's definitive proxy statement, which will be filed no later than 120 days after December 31, 2015, pursuant to Regulation 14A for the 2016 annual meeting of stockholders – Part III.

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Forward-looking Statements

This report, including information included or incorporated by reference in this report, contains certain forward-looking statements with respect to the financial condition, results of operations, plans, objectives, future performance and business of Seaboard Corporation and its subsidiaries (“Seaboard”). Forward-looking statements generally may be identified as:

- statements that are not historical in nature; and
- statements preceded by, followed by or that include the words “believes,” “expects,” “may,” “will,” “should,” “could,” “anticipates,” “estimates,” “intends” or similar expressions.

In more specific terms, forward-looking statements include, without limitation:

- statements concerning the projection of revenues, income or loss, capital expenditures, capital structure or other financial items;
- statements regarding the plans and objectives of management for future operations;
- statements of future economic performance;
- statements regarding the intent, belief or current expectations of Seaboard and its management with respect to:
 - (i) Seaboard’s ability to obtain adequate financing and liquidity;
 - (ii) the price of feed stocks and other materials used by Seaboard;
 - (iii) the sale price or market conditions for pork, grains, sugar, turkey and other products and services;
 - (iv) the recorded tax effects under certain circumstances and changes in tax laws;
 - (v) the volume of business and working capital requirements associated with the competitive trading environment for the Commodity Trading and Milling division;
 - (vi) the charter hire rates and fuel prices for vessels;
 - (vii) the fuel costs and related spot market prices in the Dominican Republic;
 - (viii) the effect of the fluctuation in foreign currency exchange rates;
 - (ix) the profitability or sales volume of any of Seaboard’s divisions;
 - (x) the anticipated costs and completion timetables for Seaboard’s scheduled capital improvements, acquisitions and dispositions;
 - (xi) the productive capacity of facilities that are planned or under construction, and the timing of the commencement of operations at such facilities;
 - (xii) the increase in Seaboard's hog and other production capacity attributable to acquisitions;
 - (xiii) Seaboard's ability to convert its Haiti port project loan to equity, including the satisfaction of the conditions for such conversion;
 - (xiv) the amount of Seaboard's funding commitment for an Oklahoma refined coal processing plant, or
 - (xv) other trends affecting Seaboard’s financial condition or results of operations, and statements of the assumptions underlying or relating to any of the foregoing statements.

This list of forward-looking statements is not exclusive. Seaboard undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changes in assumptions or otherwise. Forward-looking statements are not guarantees of future performance or results. They involve risks, uncertainties and assumptions. Actual results may differ materially from those contemplated by the forward-looking statements due to a variety of factors. The information contained in this Form 10-K and in other filings Seaboard makes with the Securities and Exchange Commission (the “Commission”), including without limitation, the information under the items “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Form 10-K, identifies important factors which could cause such differences.

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PART I

Item 1. Business

(a) General Development of Business

Originally founded in 1918, today Seaboard Corporation, a Delaware corporation organized in 1946, and its subsidiaries (“Seaboard”), is a diverse global agribusiness and transportation company. In the United States (“U.S.”), Seaboard is primarily engaged in pork production and processing and ocean transportation. Overseas, Seaboard is primarily engaged in commodity merchandising, grain processing, sugar production and electric power generation. Seaboard also has an interest in turkey operations in the U.S. See Item 1(c)(1)(ii) “Status of Product or Segment” below for a discussion of acquisitions, dispositions and other developments in specific divisions.

Seaboard Flour LLC and SFC Preferred LLC, Delaware limited liability companies, collectively own approximately 76% of the outstanding common stock of Seaboard. Mr. Steven J. Bresky, President and Chief Executive Officer of Seaboard, and other members of the Bresky family, including trusts created for their benefit, own the equity interests of Seaboard Flour LLC and SFC Preferred LLC.

(b) Financial Information about Segments

The financial information relating to reportable segments required by this item is incorporated herein by reference to Note 12 to the Consolidated Financial Statements included in Seaboard’s annual report to stockholders furnished to the Commission pursuant to Rule 14a-3(b) and attached as Exhibit 13 to this annual report on Form 10-K (“Annual Report to Stockholders”).

(c) Narrative Description of Business

(1) Business Done and Intended to be Done by the Registrant

(i) Principal Products and Services

Pork Division – Seaboard, through its subsidiary Seaboard Foods LLC, engages in the business of hog production and pork processing in the U.S. Through these operations, Seaboard produces and sells fresh and frozen pork products to further processors, foodservice operators, grocery stores, distributors and retail outlets throughout the U.S. Internationally, Seaboard sells to these same types of customers in Japan, Mexico and numerous other foreign markets. Other further processing companies also purchase Seaboard’s fresh and frozen pork products in bulk and produce products, such as lunchmeat, ham, bacon, and sausage. Fresh pork, such as loins, tenderloins and ribs are sold to distributors and grocery stores. Seaboard sells some of its fresh products under the brand name Prairie Fresh®. Seaboard’s hog processing plant is located in Guymon, Oklahoma and generally operates at capacity. Seaboard also has a ham-boning and processing plant in Mexico. Seaboard earns fees, based primarily on the number of head processed, to market substantially all of the products produced by Triumph Foods, LLC (“Triumph”) at its pork processing plant located in St. Joseph, Missouri.

Seaboard’s hog production operations consist of the breeding and raising of over four million hogs annually primarily at facilities owned by Seaboard or at facilities owned and operated by third parties with whom Seaboard has grower contracts. The hog production operations are located in the Central U.S. As a part of the hog production operations, Seaboard produces specially formulated feed for the hogs at five owned feed mills. The remaining hogs processed are purchased from third-party hog producers, primarily pursuant to purchase contracts.

Seaboard produces biodiesel at a facility in Guymon, Oklahoma. The biodiesel is produced from pork fat from Seaboard’s Guymon pork processing plant and from animal fat supplied by non-Seaboard facilities. The biodiesel is sold to third parties. The facility can also produce biodiesel from vegetable oil. Seaboard is able to reduce or stop production when it is not economically feasible to produce based on input costs or the price of biodiesel.

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Seaboard's Pork Division has a 50% noncontrolling interest in Daily's Premium Meats, LLC ("Daily's"). Daily's produces and markets raw and pre-cooked bacon, ham and sausage under the Daily's® brand name primarily for the food service industry and, to a lesser extent, retail markets. Daily's has two further processing plants located in Salt Lake City, Utah and Missoula, Montana that generally operate at capacity. In the second quarter of 2015, Daily's began construction on a third further processing plant located in St. Joseph, Missouri. Operations are expected to begin in mid-2016. Seaboard and Triumph each supply raw product to Daily's.

On May 13, 2015, the Pork Division and Triumph agreed to jointly develop and operate a pork processing facility in Sioux City, Iowa. The facility is anticipated to begin operations in mid-2017. As part of the operations, Seaboard agreed to provide a portion of the hogs to be processed at the facility. In February 2016, the Pork Division and a newly formed limited liability partnership that will be consolidated with Seaboard acquired hog inventory and related assets that are expected to increase Seaboard's hog production capacity to meet the majority of such hog supply commitment for single shift processing at the new plant.

Commodity Trading and Milling Division – Seaboard's Commodity Trading and Milling Division is an integrated agricultural commodity trading, processing and logistics company. This division markets wheat, corn, soybean meal and other commodities in bulk to third parties and affiliated companies. This division is principally managed under the name of Seaboard Overseas and Trading Group and conducts business primarily through its subsidiaries, Seaboard Overseas Limited with offices in Colombia, Ecuador, Isle of Man, Kenya, Singapore and South Africa, Seaboard Overseas Trading and Shipping (PTY) Ltd. located in South Africa, PS International, LLC located in Chapel Hill, North Carolina, and its non-consolidated affiliates, ContiLatin del Peru S.A. located in Lima, Peru, Interra International, LLC located in Atlanta, Georgia, Cereoil Uruguay S.A. located in Montevideo, Uruguay, and Plum Grove Pty Ltd located in Fremantle, Australia. This division also operates a grain and specialty crop storage and throughput facility through Fill-More Seeds, Inc. located in Fillmore, Canada, and an ocean transportation brokerage operation through Seaboard Bulk Services, Ltd. located in Athens, Greece. All of the commodities marketed by this division are purchased from growing regions worldwide, with primary destinations being Africa, South America and the Caribbean. This division sources, transports and markets approximately nine million tons of agricultural commodities on an annual basis. Seaboard integrates the service of delivering commodities to its customers through the use of short-term chartered bulk vessels and its three owned bulk carriers.

This division also operates grain and feed milling and related businesses with 35 locations in 21 countries, which are primarily supplied by the trading locations discussed above. The grain processing businesses are operated through 5 consolidated and 19 non-consolidated affiliates in Africa, South America, the Caribbean, and Asia. These are primarily flour, feed and maize milling and oil crush businesses, which produce approximately four million metric tons of finished products per year. In addition, this division has a noncontrolling interest in a poultry business in Africa and a bakery business in the Democratic Republic of Congo. Most of the products produced by these operations are sold in the countries in which the products are produced or into adjacent countries.

Marine Division – Seaboard, through its subsidiary, Seaboard Marine Ltd., and various foreign affiliated companies and third party agents, provides cargo shipping services to 26 countries between the U.S., the Caribbean Basin, and Central and South America. Seaboard uses a network of offices and agents throughout the U.S., Canada, Latin America and the Caribbean Basin to book cargo to and from the U.S. and between the countries it serves. Through agreements with a network of connecting carriers, Seaboard can transport cargo to and from numerous U.S. locations by either truck or rail to and from one of its U.S. port locations, where it is staged for export via vessel or received as import cargo from abroad.

Seaboard's primary marine operation is located in Miami, Florida and includes a terminal located at PortMiami and off-dock warehouses for cargo consolidation and temporary storage. Seaboard also operates a cargo terminal facility at the Port of Houston that includes an on-dock warehouse space for temporary storage of bagged grains, resins and other cargoes. Seaboard also makes scheduled vessel calls in Brooklyn, New York, New Orleans, Louisiana, Philadelphia, Pennsylvania, and 45 foreign ports. At December 31, 2015, Seaboard's

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fleet consisted of approximately 22 chartered and 3 owned vessels, and dry, refrigerated and specialized containers and other related equipment.

Sugar Division – Seaboard, through its subsidiaries, Ingenio y Refineria San Martin del Tabacal S.R.L. and Alconoa S.R.L., as well as other Argentine non-consolidated affiliates, grows sugarcane, which it uses to produce refined sugar and alcohol in Argentina. This division also purchases sugar in bulk from third parties mostly within Argentina for subsequent resale. The sugar products are mostly sold in Argentina, primarily to retailers, soft drink manufacturers, and food manufacturers, with some exports to the U.S. and other South American countries. Seaboard grows a large portion of the sugarcane on the nearly 70,000 acres of land it owns in northern Argentina. The cane is processed at an owned mill, one of the largest in Argentina, with a current processing capacity of approximately 250,000 metric tons of sugar and approximately 15 million gallons of alcohol per year. Also, this division owns a 51 megawatt cogeneration power plant that is fueled by using sugarcane by-products, natural gas and other biomass when available.

Power Division – Seaboard, through its subsidiary, Transcontinental Capital Corp. (Bermuda) Ltd., is an independent power producer generating electricity for the local power grid in the Dominican Republic. Seaboard operates one owned floating power generating facility with capacity to generate approximately 108 megawatts of electricity. The facility is secured on the Ozama River in Santo Domingo, Dominican Republic. This operation is exempt from U.S. regulations under the Public Utility Holding Company Act of 1938, as amended. Seaboard is not directly involved in the transmission or distribution of electricity. Seaboard primarily sells on the spot market accessed primarily by wholly government-owned distribution companies or partially government-owned generation companies. This division also has a 29.9% noncontrolling interest in a 300 megawatt electricity generating facility in the Dominican Republic.

Turkey Segment – Seaboard has a 50% noncontrolling voting interest in Butterball, LLC (“Butterball”). Butterball is a vertically integrated producer, processor and marketer of branded and non-branded turkey and other products. Butterball has four processing plants, three further processing plants and numerous live production and feed milling operations located in North Carolina, Arkansas, Missouri, Illinois and Kansas. Butterball produces over one billion pounds of turkey each year. Butterball is a national supplier to retail and foodservice outlets, and also exports products to Mexico and numerous other foreign markets.

Other Businesses – Seaboard processes jalapeño peppers at its plant in Honduras, which are primarily shipped to and sold in the U.S.

The information required by this item with respect to the amount or percentage of total revenue contributed by any class of similar products or services which account for 10% or more of consolidated revenue in any of the last three fiscal years is set forth in Note 12 to the Consolidated Financial Statements included in Seaboard’s Annual Report to Stockholders, which information is incorporated herein by reference.

(ii) Status of Product or Segment

On May 13, 2015, the Pork Division agreed to contribute up to \$207 million through 2019 to jointly develop and operate a pork processing facility in Sioux City, Iowa with Triumph. The facility is anticipated to begin operations in mid-2017. As part of the operations, Seaboard agreed to provide a portion of the hogs to be processed at the facility. In February 2016, the Pork Division and a newly formed limited liability partnership that will be consolidated with Seaboard paid \$148 million to acquire hog inventory and related assets in Iowa and Colorado that is expected to increase Seaboard’s hog production capacity to meet the majority of such hog supply commitment for single shift processing at the new plant. Seaboard anticipates buying additional hog inventory and related assets during 2016 to fulfill the remaining amount of such hog supply commitment.

In the second quarter of 2015, Daily’s began construction on a third further processing plant located in St. Joseph, Missouri. Operations are expected to begin in mid-2016. To date, construction funding has been provided by current operations.

The Commodity Trading and Milling Division took delivery of two dry bulk vessels built for a total cost of approximately \$45 million during 2015. An additional vessel was delivered in January 2016 and the final vessel

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is expected to be delivered during the first half of 2016 for a total cost of approximately \$45 million. Seaboard entered into sales-leaseback transactions for the vessels delivered and anticipates selling and leasing back the remaining vessel when completed, which would result in Seaboard receiving back the amounts spent to build the vessels.

Also the Commodity Trading and Milling Division made various investments in affiliates. During the second quarter of 2015, the Commodity Trading and Milling Division invested \$10 million in an oilseed crushing business in the Republic of Turkey for a 25% noncontrolling interest, \$8 million in a flour milling and pasta business in Botswana for a 49% noncontrolling interest and \$10 million in a commodity trading and flour milling business in Uruguay for a 45% noncontrolling interest, all accounted for using the equity method. In addition, this division invested \$18 million in a grain trading and poultry business in Morocco for a 12% noncontrolling interest, which is accounted for using the cost method. During the fourth quarter of 2015, Seaboard contributed \$13 million in cash, a small amount of other assets, certain employees and rights to sell certain agricultural commodities that Seaboard had previously sold through its subsidiary, PS International, LLC, for a 40% noncontrolling interest in a commodity trading business in Atlanta, Georgia.

In April 2015, the Power Division invested \$10 million in a business operating a 300 megawatt electricity generating facility in the Dominican Republic, increasing Seaboard's ownership interest to 29.9%.

(iii) Sources and Availability of Raw Materials

None of Seaboard's businesses utilize material amounts of raw materials that are dependent on purchases from one supplier or a small group of dominant suppliers. However, the Turkey Segment purchases a significant portion of its feed and grain used in the manufacturing of feed for its turkeys in North Carolina from Seaboard's 50% partner in Butterball.

(iv) Patents, Trademarks, Licenses, Franchises and Concessions

Seaboard uses the registered trademark of Seaboard®.

The Pork Division uses registered trademarks relating to its products, including Seaboard Farms®, Prairie Fresh®, A Taste Like No Other®, St. Joe Pork®, High Plains Bioenergy®, Prairie Fresh Prime®, Seaboard Foods®, Cook in Bag®, 67th Street™ and The Thrill Without The Grill®. The Pork Division's non-consolidated affiliate, Daily's Premium Meats, LLC, uses the trademarks Daily's®, Daily's Premium Meats Since 1893®, Buffet Brand® and Del Pueblo®. Seaboard considers the use of these trademarks important to the marketing and promotion of its pork products.

The Marine Division uses the trade name Seaboard Marine® and Seaboard Solutions® which are both registered trademarks. Seaboard believes there is significant recognition of these trademarks in the industry and by many of its customers.

Part of the sales within the Sugar Division are made under the Chango® brand in Argentina, where this division operates. Certain local sales prices are affected by government price control, primarily for one kilogram size bags, and sugar import duties imposed by the Argentine government, impacting local volume sold, as well as imported and exported volumes to and from international markets.

The Turkey Segment uses registered trademarks relating to its products, including Butterball® and Carolina Turkeys®. Seaboard considers the use of these trademarks important to marketing and promotion of its turkey products.

Patents, trademarks, franchises, licenses and concessions are not material to any of Seaboard's other divisions.

(v) Seasonal Business

The Turkey business is seasonal only on the whole bird side with Thanksgiving and Christmas holidays driving the majority of those sales. Seaboard's other divisions are not seasonally dependent to any material extent.

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(vi) Practices Relating to Working Capital Items

There are no unusual industry practices or practices of Seaboard relating to working capital items.

(vii) Depending on a Single Customer or Few Customers

Seaboard does not have sales to any one customer equal to 10% or more of consolidated revenues. Historically, the Commodity Trading and Milling Division derives a significant portion of its operating income from sales to a non-consolidated affiliate. The Sugar Division derives approximately 20% of its revenues from one customer. The Power Division sells power in the Dominican Republic on the spot market accessed primarily by three wholly government-owned companies. No other division has sales to a few customers which, if lost, would have a material adverse effect on any such division or on Seaboard taken as a whole.

(viii) Backlog

Backlog is not material to Seaboard's businesses.

(ix) Government Contracts

No material portion of Seaboard's business involves government contracts.

(x) Competitive Conditions

Competition in Seaboard's Pork Division comes from a variety of national, international and regional producers and processors and is based primarily on product quality, customer service and price. According to *Successful Farming* and *Informa Economics*, trade publications, Seaboard was ranked number three in pork production (based on sows in production) and number four in processing (based on daily processing capacity) in the U.S. (including Triumph volume) in 2015.

Seaboard's commodity trading business to third parties faces competition from numerous traders around the world in a very competitive environment with low margin percentages on most trades. Most of the grain processing and related businesses face competition from either imported products or other local producers in the same industries.

Seaboard's ocean liner service for cargoes faces competition based on price, reliable sailing frequencies and customer service. Seaboard believes it is among the top five ranking ocean liner services for cargoes in the Caribbean Basin and Central America based on cargo volume.

Seaboard's sugar business owns one of the largest sugar mills in Argentina and faces significant competition for sugar sales in the local Argentine market. Sugar prices in Argentina can fluctuate compared to world markets due to Argentine government price control and protection policies. High sugarcane production volumes in Argentina, in conjunction with low international sugar and alcohol prices, have increased competition in the domestic market.

Seaboard's Power Division is located in the Dominican Republic. Power generated by this division is sold on the spot market or to contract customers at prices based on market conditions and cost-based rates.

Competition for the Turkey Segment comes from a variety of national and regional producers and processors and is based primarily on product quality, customer service and price. Butterball ranks as one of the nation's top three turkey producers (based on live production).

(xi) Research and Development Activities

Seaboard and its Turkey Segment each conduct research and development activities focused on various aspects of their vertically integrated pork and turkey processing systems, including improving product quality, production processes, animal genetics, nutrition and health. Incremental costs incurred to perform these tests are expensed as incurred and are not material to operating results.

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(xii) Environmental Compliance

Seaboard and its Turkey Segment are subject to numerous Federal, State and local provisions relating to the environment which require the expenditure of funds in the ordinary course of business. Seaboard and its Turkey Segment do not anticipate making expenditures for these purposes, that, in the aggregate would have a material or significant effect on Seaboard's financial condition or results of operations.

(xiii) Number of Persons Employed by Registrant

As of December 31, 2015, Seaboard, excluding non-consolidated affiliates, had 10,772 employees, of whom 5,541 were employed in the U.S. Approximately 2,050 employees in Seaboard's Pork Division were covered by collective bargaining agreements as of December 31, 2015. Seaboard considers its employee relations to be satisfactory.

(d) Financial Information about Geographic Areas

In addition to the narrative disclosure provided below, the financial information relating to export sales required by this item is incorporated herein by reference to Note 12 to the Consolidated Financial Statements included in Seaboard's Annual Report to Stockholders.

Seaboard considers its relations with the governments of the countries in which its foreign subsidiaries and affiliates are located to be satisfactory, but foreign operations in lesser-developed countries are subject to risks of doing business such as potential civil unrests and government instabilities, increasing the exposure to potential expropriation, confiscation, war, insurrection, civil strife and revolution, sales price controls, currency inconvertibility and devaluation, and currency exchange controls. To minimize certain of these risks, Seaboard has insured its investment in an affiliated flour mill in the Democratic Republic of Congo to the extent available and deemed appropriate against certain of these risks with the Overseas Private Investment Corporation, an agency of the U.S. Government. At the date of this report, Seaboard is not aware of any situations which could have a material effect on Seaboard's business.

(e) Available Information

Seaboard electronically files with the Commission annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports pursuant to Section 13(a) or 15(d) of the Exchange Act. The public may read and copy any materials filed with the Commission at their public reference room located at 100 F Street N.E., Washington, D.C. 20549. The public may obtain further information concerning the public reference room and any applicable copy charges, as well as the process of obtaining copies of filed documents by calling the Commission at 1-800-SEC-0330.

The Commission maintains an internet website that contains reports, proxy and information statements, and other information regarding electronic filers at www.sec.gov. Seaboard provides access to its most recent Form 10-K, 10-Q and 8-K reports, and any amendments to these reports, on its internet website, www.seaboardcorp.com, free of charge, as soon as reasonably practicable after those reports are electronically filed with the Commission.

Please note that any internet addresses provided in this report are for information purposes only and are not intended to be hyperlinks. Accordingly, no information provided at such Internet addresses is intended or deemed to be incorporated herein by reference.

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Executive Officers of the Registrant

The following table lists the executive officers and certain significant employees of Seaboard. Generally, executive officers are elected at the annual meeting of the Board of Directors following the Annual Meeting of Stockholders and hold office until the next such annual meeting or until their respective successors are duly chosen and qualified. There are no arrangements or understandings pursuant to which any executive officer was elected.

<u>Name (Age)</u>	<u>Positions and Offices with Registrant and Affiliates</u>
Steven J. Bresky (62)	President and Chief Executive Officer
Robert L. Steer (56)	Executive Vice President, Chief Financial Officer
David M. Becker (54)	Senior Vice President, General Counsel and Secretary
David S. Oswalt (48)	Senior Vice President, Finance and Treasurer
James L. Gutsch (62)	Senior Vice President, Engineering
Ralph L. Moss (70)	Senior Vice President, Governmental Affairs
David H. Rankin (44)	Senior Vice President, Taxation and Business Development
Michael D. Trollinger (47)	Vice President, Corporate Controller and Chief Accounting Officer
Ty A. Tywater (46)	Vice President, Audit Services
Terry J. Holton (56)	President, Seaboard Foods LLC
David M. Dannov (54)	President, Seaboard Overseas and Trading Group
Edward A. Gonzalez (50)	President, Seaboard Marine Ltd.

Mr. Bresky has served as President and Chief Executive Officer of Seaboard since July 2006.

Mr. Steer has served as Executive Vice President, Chief Financial Officer of Seaboard since April 2011, and previously as Senior Vice President, Chief Financial Officer since December 2006.

Mr. Becker has served as Senior Vice President, General Counsel and Secretary of Seaboard since April 2011, and previously as Vice President, General Counsel and Secretary since December 2003.

Mr. Gutsch has served as Senior Vice President, Engineering of Seaboard since April 2011, and previously as Vice President, Engineering since December 1998.

Mr. Moss has served as Senior Vice President, Governmental Affairs of Seaboard since April 2011, and previously as Vice President, Governmental Affairs since December 2003.

Mr. Oswalt has served as Senior Vice President, Finance and Treasurer since April 2013, and previously as Senior Vice President, Taxation and Business Development of Seaboard from 2011 to 2013 and as Vice President, Taxation and Business Development from 2003 to 2011.

Mr. Rankin has served as Senior Vice President, Taxation and Business Development since April 2015 and previously as Vice President, Taxation and Business Development since April 2013 and Vice President of Seaboard from 2010 to 2013.

Mr. Trollinger has served as Vice President, Corporate Controller and Chief Accounting Office of Seaboard since March 2015. Prior to that, he served as Vice President Finance & Operational Reporting for Jack Cooper Enterprises, Inc. from 2011 to 2015.

Mr. Tywater has served as Vice President, Audit Services of Seaboard since November 2008.

Mr. Holton has served as President of Seaboard Foods LLC since December 2011 and previously as Senior Vice President, Sales and Marketing since September 1997.

Mr. Dannov has served as President of Seaboard Overseas and Trading Group since August 2006.

Mr. Gonzalez has served as President of Seaboard Marine Ltd. since January 2005.

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Item 1A. Risk Factors

Seaboard has identified important risks and uncertainties that could affect the results of operations, financial condition or business and that could cause them to differ materially from Seaboard's historical results of operations, financial condition or business, or those contemplated by forward-looking statements made herein or elsewhere, by, or on behalf of, Seaboard. Factors that could cause or contribute to such differences include those factors described below.

(a) General

- (1) Seaboard's Operations are Subject to the General Risks of the Food Industry. The divisions of the business that are in the food products manufacturing industry are subject to the risks posed by:

- food spoilage or food contamination;
- evolving consumer preferences and nutritional and health-related concerns;
- federal, state, national, provincial and local food processing regulations;
- consumer product liability claims;
- product tampering; and
- public perception of food production practices, including handling of production and live animals.

If one or more of these risks were to materialize, Seaboard's revenues could decrease, costs of doing business could increase, and Seaboard's operating results could be adversely affected.

- (2) International Operations Subject Seaboard to Risks That Could Have a Significant Impact on Seaboard's Business. Seaboard is a diverse agribusiness and transportation company with global operations in several industries. Most of the sales and costs of Seaboard's divisions are significantly influenced by worldwide fluctuations in commodity prices or changes in foreign political and economic conditions. Accordingly, sales, operating income and cash flows can fluctuate significantly from year to year. In addition, Seaboard's international activities pose risks not faced by companies that limit themselves to U.S. markets. These risks include:

- changes in foreign currency exchange rates;
- foreign currency exchange controls;
- changes in a specific country's or region's political or economic conditions, particularly in emerging markets;
- hyperinflation;
- heightened customer credit and execution risk;
- tariffs, other trade protection measures and import or export licensing requirements;
- potentially negative consequences from changes in tax laws;
- different legal and regulatory structures and unexpected changes in legal and regulatory requirements;
- negative perception within a foreign country of a U.S. company doing business in that foreign country;
- compliance with U.S. laws and regulations for conducting international business such as Foreign Account Tax Compliance Act, Foreign Corrupt Practices Act and Office of Foreign Assets Control regulations;
- expropriation, civil unrest and government instabilities; and
- inconsistent application or enforcement of local laws, including tax laws.

Seaboard cannot provide assurance that it will be successful in competing effectively in international markets.

- (3) Deterioration of Economic Conditions Could Negatively Impact Seaboard's Business. Seaboard's business may be adversely affected by changes in national or global economic conditions, including inflation, interest rates, availability of capital markets, consumer spending rates, energy availability and costs, and the effects of governmental initiatives to manage economic conditions. Any such changes could adversely affect the demand for our meat products, grains and shipping services, or the cost and availability of our needed raw materials and packaging materials, thereby negatively affecting our financial results. The current national and global economic conditions, could, among other things:

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- impair the financial condition of some of our customers and suppliers thereby increasing customer bad debts or non-performance by customers and suppliers;
 - negatively impact global demand for protein and grain-based products, which could result in a reduction of sales, operating income and cash flows;
 - decrease the value of our investments in equity and debt securities, including pension plan assets, causing losses that would adversely impact our net earnings; and
 - impair the financial viability of our insurers.
- (4) Ocean Transportation Has Inherent Risks. Seaboard's owned and chartered vessels along with related cargoes are at risk of being damaged or lost because of events such as:
- bad weather;
 - mechanical failures;
 - grounding, fire, explosions and collisions;
 - human error; and
 - war, piracy and terrorism.

All of these hazards can result in death or injury to persons, loss of property, environmental damages, delays or rerouting. If one of Seaboard's vessels were involved in an accident, the resulting media coverage could have a material adverse effect on Seaboard's business, financial condition and results of operations.

- (5) Seaboard's Common Stock is Thinly Traded and Subject to Daily Price Fluctuations. The common stock of Seaboard is closely held and thinly traded on a daily basis on the NYSE MKT. Seaboard Flour LLC and SFC Preferred LLC, which are beneficially owned by Mr. Steven Bresky, President and Chief Executive Officer of Seaboard and other members of the Bresky family, hold approximately 76% of Seaboard outstanding common stock. Accordingly, the price of a share of common stock can fluctuate more significantly from day-to-day than that of a share of widely held stock that is actively traded on a daily basis.
- (6) Seaboard has Investments in Non-consolidated Affiliates that are Managed by Third-parties. Seaboard has several equity method investments in which it owns 50% or less, with various third-party investors owning the remaining shares. Due to the ownership structure of these affiliates, Seaboard does not have control in all the decision making of these companies and could be exposed to various business risks if the business partners' business practices do not align with Seaboard's best interests, which could adversely impact the non-operating results of the Seaboard.

(b) Pork Division

- (1) Fluctuations in Commodity Pork Prices Could Adversely Affect Seaboard's Results of Operations. Sales prices for Seaboard's pork products are directly affected by both domestic and world-wide supply and demand for pork products and other proteins, all of which are determined by constantly changing market forces of supply and demand as well as other factors over which Seaboard has little or no control. Commodity pork prices demonstrate a cyclical nature over periods of years, reflecting changes in the supply of fresh pork and competing proteins on the market, especially beef and chicken. Seaboard's results of operations could be adversely affected by fluctuations in pork commodity prices.
- (2) Increases in Costs of Seaboard's Feed Components and Third-Party Hog Purchases Could Adversely Affect Seaboard's Costs and Operating Margins. Feed costs are the most significant single component of the cost of raising hogs and can be materially affected by commodity price fluctuations for corn and soybean meal. The results of Seaboard's Pork Division can be negatively affected by increased costs of Seaboard's feed components. The continued operation of ethanol plants has elevated this risk as it has increased the competing demand for feed ingredients, primarily corn. Similarly, accounting for approximately 24% of Seaboard's total hogs slaughtered, the cost of third-party hogs purchased fluctuates with market conditions and can have an impact on Seaboard's total costs. The cost and supply of feed components and the third party hogs that Seaboard purchases are determined by constantly changing market forces of supply and demand, which are driven by matters over which Seaboard has no control, including weather, current and projected worldwide grain stocks and prices, grain export prices and supports and governmental agricultural policies. Seaboard attempts to manage certain of these risks through the use of financial instruments; however, this may also limit its ability to participate in gains from favorable commodity fluctuations. Unless wholesale pork prices

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correspondingly increase, increases in the prices of Seaboard's feed components or in the cost of third-party hogs purchased would adversely affect Seaboard's operating margins.

- (3) Seaboard May be Unable to Obtain Appropriate Personnel at Remote Locations. The remote locations of the pork processing plant and live hog operations, and a more restrictive national policy on immigration could negatively affect the availability and cost of labor. Seaboard is dependent on having sufficient properly trained operations personnel. Attracting and retaining qualified personnel is important to Seaboard's success. The inability to acquire and retain the services of such personnel could have a material adverse effect on Seaboard's operations.
- (4) The Loss of Seaboard's Sole Hog Processing Facility Could Adversely Affect Seaboard's Business. Seaboard's Pork Division is largely dependent on the continued operation of a single hog processing facility. The loss of or damage to this facility for any reason, including fire, tornado, governmental action or other reason, could adversely affect Seaboard and Seaboard's pork business.
- (5) Environmental Regulation and Related Litigation Could Have a Material Adverse Effect on Seaboard. Seaboard's operations and properties are subject to extensive and increasingly stringent laws and regulations pertaining to, among other things, odors, the discharge of materials into the environment and the handling and disposition of wastes (including solid and hazardous wastes) or otherwise relating to protection of the environment. Failure to comply with these laws and regulations and any future changes to them may result in significant consequences to Seaboard, including civil and criminal penalties, liability for damages and negative publicity. Some requirements applicable to Seaboard may also be enforced by citizen groups. Seaboard has incurred, and will continue to incur, operating expenditures to comply with these laws and regulations.
- (6) Health Risk to Livestock Could Adversely Affect Production, the Supply of Raw Materials and Seaboard's Business. Seaboard is subject to risks relating to its ability to maintain animal health and control diseases. The general health of the hogs and the reproductive performance of the sows can have an adverse impact on production and production costs, the supply of raw material to Seaboard's pork processing operations and consumer confidence. If Seaboard's hogs are affected by disease, Seaboard may be required to destroy infected livestock, which could adversely affect Seaboard's production or ability to sell or export its products. Moreover, the herd health of third-party suppliers could adversely affect the supply and cost of hogs available for purchase by Seaboard. Adverse publicity concerning any disease or health concern could also cause customers to lose confidence in the safety and quality of Seaboard's food products.
- (7) If Seaboard's Pork Products Become Contaminated, Seaboard May be Subject to Product Liability Claims and Product Recalls. Pork products may be subject to contamination by disease producing organisms. These organisms are generally found in the environment and as a result, regardless of the manufacturing practices employed, there is a risk that they could be present in Seaboard's processed pork products as a result of food processing. Once contaminated products have been shipped for distribution, illness and death may result if the organisms are not eliminated at the further processing, foodservice or consumer level. Even an inadvertent shipment of contaminated products is a violation of law and may lead to increased risk of exposure to product liability claims, product recalls and increased scrutiny by federal and state regulatory agencies and may have a material adverse effect on Seaboard's business, reputation, prospects, results of operations and financial condition.
- (8) International Trade Barriers Could Adversely Affect Seaboard's Pork Operations. This division realizes a significant portion of its revenues from international markets, particularly Japan and Mexico. International sales are subject to risks related to general economic conditions, imposition of tariffs, quotas, trade barriers and other restrictions, enforcement of remedies in foreign jurisdictions and compliance with applicable foreign laws, and other economic and political uncertainties. These and other risks could result in border closings or other international trade barriers having an adverse effect on Seaboard's earnings.
- (9) The Operating Profit of the Biodiesel Production Facility Could Be Adversely Impacted by Various Factors. The profitability of Seaboard's biodiesel plant could be adversely affected by various factors, including the market price of pork and other animal fat which is utilized to produce biodiesel, and the market price for biodiesel which is influenced by world oil prices and U.S. government mandates to use biofuels. Unfavorable changes in these prices over extended periods of time or adverse changes in U.S. government mandates to use biofuels, could adversely affect Seaboard's results of operations and could result in the potential impairment of the recorded value of the property, plant and equipment related to this facility.

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- (10) Difficulties Could Be Experienced in the Construction and Start-up of the New Pork Processing Facility. The Pork Division has agreed to contribute up to \$207 million to jointly develop a new pork processing facility in Sioux City, Iowa. Significant operational delays, difficulty in hog procurement, or other difficulties encountered in the start-up of operations could have an adverse effect on results of operations.

(c) Commodity Trading & Milling Division

- (1) This Division is Subject to Risks Associated with Foreign Operations. This division principally operates in Africa, South America, the Caribbean and Asia and, in most cases, in what are generally regarded to be lesser developed countries. Many of these foreign operations are subject to risks of doing business in lesser-developed countries which are subject to potential civil unrests and government instabilities, increasing the exposure to potential expropriation, confiscation, war, insurrection, civil strife and revolution, corruption, currency inconvertibility and devaluation, and currency exchange controls, in addition to the risks of overseas operations mentioned in clause (a)(2) above. In addition, foreign government policies and regulations could restrict the purchase of various grains, reducing or limiting Seaboard's ability to access grains or to limit Seaboard's sales price for grains sold in local markets.
- (2) Fluctuations in Commodity Grain Prices Could Adversely Affect the Business of this Division. This division's sales are significantly affected by fluctuating worldwide prices for various commodities, such as wheat, corn, soybeans and, to a lesser degree, various other agricultural commodity products. These prices are determined by constantly changing market forces of supply and demand as well as other factors over which Seaboard has little or no control. European flour exports, including donated food aid, flour dumping practices and world-wide and local crop production can contribute to these fluctuating market conditions and can have a significant impact on the trading and milling businesses' sales, value of commodities held in inventory and operating income. Seaboard's results of operations could be adversely affected by fluctuations in commodity prices.
- (3) This Division Uses a Material Amount of Derivative Products to Manage Certain Market Risks. The commodity trading portion of the business enters into various commodity derivatives and foreign exchange derivatives to create what management believes is an economic hedge for commodity trades it executes or intends to execute with its customers. This portion of the business also enters into speculative derivative transactions related to its market risks. Failure to execute or improper execution of a derivative position or a firmly committed sale or purchase contract, a speculative transaction that closes without the desired result or exposure to counter party risk could have an adverse impact on the results of operations and liquidity.
- (4) This Division is Subject to Higher than Normal Risks for Attracting and Retaining Key Personnel. In the commodity trading environment, a loss of a key employee such as a commodity trader can have a negative impact resulting from the loss of revenues as personal customer relationships can be vital to obtaining and retaining business with various foreign customers. In the grain processing portion of this division, employing and retaining qualified expatriate personnel is a key element of success given the difficult living conditions, the unique operating environments and the reliance on a relatively small number of executives to manage each individual location.
- (5) This Division Faces Increasing Competition. This division is experiencing increasing competition in certain foreign markets by well capitalized originators and traders of commodities making sales directly to end-use customers. If various grain originators refuse to sell commodities to Seaboard for sale in these foreign markets, this could make it more challenging for Seaboard to purchase commodities for sale to its customers at competitive prices. Seaboard's sales volume and sale prices for commodities to customers, as well as results of operations, could be adversely impacted by such increased competition.

(d) Marine Division

- (1) The Demand for this Division's Services Are Affected by International Trade and Fluctuating Freight Rates. This division provides cargo shipping services primarily from the U.S. to many different countries in the Caribbean Basin and Central and South America. In addition to the risks of overseas operations mentioned in (a)(2) above, fluctuations in economic conditions, unstable or hostile local political situations in the countries in which Seaboard operates, can affect import/export trade volumes and cargo freight rates and adversely affect Seaboard's results of operations.

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- (2) Chartered Ships Are Subject to Fluctuating Rates. Time-charter expenses are one of the division's largest expenses. Certain ships are under charters longer than one year while others are less than one year. These costs can vary greatly due to a number of factors including the worldwide supply and demand for shipping. It is not possible to determine in advance whether a charter contract for more or less than one year will be favorable to Seaboard's business. Accordingly, entering into long-term charter hire contracts during periods of decreasing charter hire costs, or short-term charter hire contracts during periods of increasing charter hire costs could have an adverse effect on Seaboard's results of operations.
- (3) Increased Fuel Prices May Adversely Affect the Division's Business. Ship fuel expenses are one of the division's largest expenses and vary greatly from year to year depending on fuel prices. While most trade lanes have a series of fuel surcharges in place that seek to adjust revenues with changes in fuel prices, such mechanisms do not act with precision in terms of timing and amount. When fuel prices increase rapidly or consistently, the surcharge mechanism may not adjust revenues enough to offset the increase in cost to Seaboard. Fuel surcharges are also an area of competition among carriers and market forces may preclude us from generating enough revenue from the fuel surcharges to offset any increase in costs, which may have a negative effect on Seaboard's profitability. Also, but to a lesser extent, fuel price increases can impact inland transportation costs both in the U.S. and overseas.
- (4) Hurricanes May Disrupt Operations in the Caribbean Basin. Seaboard's port operations throughout the Caribbean Basin can be subject to disruption due to hurricanes, especially at Seaboard's major ports in Miami, Florida and Houston, Texas, which could have an adverse effect on Seaboard's results of operations.
- (5) This Division is Subject to Complex Laws and Regulations that May Adversely Affect the Revenues, Cost, Manner or Feasibility of Doing Business. Federal, state and local laws and domestic and international regulations governing worker health and safety, environmental protection, port and terminal security, and the operation of vessels, including fuel regulations, significantly affect Seaboard's operations, including rate discussions and other related arrangements. Many aspects of the marine industry, including rate agreements and vessel space sharing agreements, are subject to extensive governmental regulation by the Federal Maritime Commission, the U.S. Coast Guard, and U.S. Customs and Border Protection, and to regulation by private industry organizations. Compliance with applicable laws, regulations and standards may require installation of costly equipment or operational changes, while the failure to comply may result in administrative and civil penalties, criminal sanctions, the suspension or termination of Seaboard's operations or detention of its vessels. In addition, future changes in laws, regulations and standards, including allowed freight rate discussions and other related arrangements, may result in additional costs or a reduction in revenues.
- (6) The Division's Revenues and Cost Structure is Dependent on the Continuation of Cost Sharing Arrangements. The division has entered into vessel cost sharing arrangements with other service providers that are short term in nature. If they are unable to be renewed or renewed with unfavorable terms it could result in a negative impact to the business.

(e) **Sugar Division**

- (1) The Success of this Division Depends on the Condition of the Argentinean Economy, Currency and Political Climate. This division operates a sugar mill, alcohol production and power generation facility in Argentina, locally growing a substantial portion of the sugarcane processed at the mill. Fluctuations in economic conditions or changes in the Argentine political climate can have an impact on the costs of operations, the sales prices of products and export opportunities and the exchange rate of the Argentine peso to the U.S. dollar. In this regard, local sales prices are affected by government price control and sugar import duties imposed by the Argentine government, impacting local volume sold, as well as imported and exported volumes to and from international markets. If import duties are changed, this could have a negative impact on Seaboard's sale price of its products. In addition, the majority of the sales are within Argentina and the Argentine government attempts to control inflation through retail price controls on mass consumption products, including sugar, which could adversely impact the local sales price of its products and the results of operations for this division. A devaluation of the Argentine peso would have a negative impact on Seaboard's financial position.

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- (2) This Division is Subject to the Risks that Are Inherent in any Agricultural Business. Seaboard's results of operations for this division may be adversely affected by numerous factors over which Seaboard has little or no control and that are inherent in any agricultural business, including reductions in the market prices for Seaboard's products, adverse weather and growing conditions, pest and disease problems, and new government regulations regarding agriculture and the marketing of agricultural products. Of these risks, weather particularly can adversely affect the amount and quality of the sugarcane produced by Seaboard and Seaboard's competitors located in other regions of Argentina.
- (3) The Loss of this Division's Sole Processing Facility Would Adversely Affect the Business. Seaboard's Sugar Division is largely dependent on the continued operation of a single processing facility. The loss of or damage to this facility for any reason, including fire, tornado, earthquake, governmental action, labor unrest resulting in labor strikes or other reasons, would adversely affect the business of this division.
- (4) Labor Relation Challenges Could Adversely Affect Operations. This division is dependent on unionized labor at its single sugar mill in Argentina. The political and economic environment in Argentina makes normal labor relations very challenging. Contributing to the situation are the policies of Argentina's government and the failure of the Argentine courts to enforce contractual obligations with unions and basic property rights. Interruptions in production as a result of labor unrest can adversely impact the quantity of sugarcane harvested and the amount of sugar, alcohol and power produced and can interfere with the distribution of products stored at the facility in the Salta Province.
- (5) The Operating Profit of the Alcohol Production Facility Could Be Adversely Impacted by Government Regulations. The profitability of Seaboard's alcohol production facility could be adversely affected by Argentine government regulations related to the bio-ethanol market regarding production quotas and fuel blends. In addition, the entry of corn alcohol producers in Argentina has increased competition. Unfavorable changes in market prices over extended periods of time or adverse changes in the Argentine government's regulations regarding bio-ethanol production quotas and fuel blends, could adversely affect Seaboard's results of operations.
- (6) The Operating Profit of the Cogeneration Power Plant Could Be Adversely Impacted by Contract for the Sale of Energy. In 2013, the biomass cogeneration contract was ratified by the Argentine national energy regulator setting the sale price for energy produced and sold by Seaboard's cogeneration power plant. The profitability of Seaboard's cogeneration power plant could be adversely affected by the failure to enforce the terms of the contract, which could adversely affect Seaboard's results of operations and could result in the potential impairment of the recorded value of the property, plant and equipment related to this facility.

(f) Power Division

- (1) This Division is Subject to Risks of Doing Business in the Dominican Republic. In addition to significant currency fluctuations and the other risks of overseas operations mentioned in clause (a)(2) above, this division can experience difficulty in obtaining timely collections of trade receivables from the government owned distribution companies or other companies that must also collect from the government in order to make payments on their accounts. Currently, the Dominican Republic does not allow a free market to enable prices to rise with demand, which could limit Seaboard's profitability in this business. The government has the ability to arbitrarily decide which power units will be able to operate, which can ultimately determine spot market prices for electricity generated and sold into the power grid and thus could have adverse effects on results of operations.
- (2) Fluctuations in Fuel Costs Could Adversely Affect Seaboard's Operating Margins. Fuel is the largest cost component of this division's business and, therefore, margins may be adversely affected by fluctuations in fuel prices if such fluctuations cannot be fully passed to customers through the spot market price mechanism.
- (3) Supply of Natural Gas is Limited in the Dominican Republic. Supply of natural gas in the Dominican Republic is limited to one primary supplier. Although the barge can run on other types of fuel, supply disruptions of natural gas could have a negative impact on this division's operating income.
- (4) The Loss of the Division's Sole Facility would Adversely Affect the Business. Seaboard's Power Division is dependent on the continued operation of a single facility. The loss of or damage to this facility for any reason, including fire, tornado, earthquake, governmental actions or labor unrest resulting in labor strikes or other reasons would adversely affect the business of this division.

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(g) Turkey Segment

- (1) Fluctuations in Commodity Turkey Prices Could Adversely Affect the Results of Operations. Sales prices for turkey products are directly affected by both domestic and worldwide supply and demand for turkey products and other proteins which are determined by constantly changing market forces of supply and demand as well as other factors over which Butterball has little or no control. Butterball's results of operations and the value of Seaboard's investment in Butterball could be adversely affected by fluctuations in the turkey commodity prices.
- (2) Increases in Costs of Turkey's Feed Components and Turkey Purchases Could Adversely Affect Costs and Operating Margins. Feed costs are the most significant single component of the cost of raising turkeys and can be materially affected by commodity price fluctuations for corn, soybean meal, and other commodity grain inputs. Butterball's results may be negatively affected by increased costs of the feed components. The continued operation of ethanol plants has elevated this risk as it has increased the competing demand for feed ingredients, primarily corn. Butterball attempts to manage some of these risks through the use of financial instruments; however this may also limit its ability to participate in gains from favorable commodity fluctuations. Unless wholesale turkey prices correspondingly increase, increases in the prices of Butterball's feed components would adversely affect Butterball's results of operations and the value of Seaboard's investment in Butterball.
- (3) Adverse Operating Results Could Result in Need for Additional Investment. Butterball has third-party bank loan facilities separate from Seaboard, which are secured by substantially all of the assets of Butterball. Adverse operating results could cause Butterball to default on such loan facilities, which could result in a significant adverse impact on Butterball's financial position, or result in Seaboard needing to increase Seaboard's investment in Butterball.
- (4) Decreased Perception of Value in the Butterball's Brand Could Adversely Affect Sales Quantity and Price of Butterball Products. Butterball is a premium brand name, built on a long history of offering a quality product that has been differentiated in the market. The value of the Butterball brand allows for sales of a higher unit price than other turkey products. In order to maintain this advantage, Butterball must continue to support the brand with successful marketing efforts. In addition, negative news reports for any reason in a variety of areas on the company or the turkey/poultry industry could negatively impact this brand perception and Butterball's results of operations and the value of Seaboard's investment in Butterball.
- (5) The Loss of Butterball's Primary Further Processing Facility Could Adversely Affect Butterball's Business. Although Butterball has four processing plants and three further processing plants, Butterball is disproportionately dependent on the continued operation of the processing plant in Mt. Olive, North Carolina that handles a significant volume of the production of further processed turkey products. The loss of or damage to this facility for any reason, including fire, tornado, governmental action or other reason, could adversely affect the results of operations for Butterball and the value of Seaboard's investment in Butterball.
- (6) If Butterball's Turkey Products Become Contaminated, the Company May be Subject to Product Liability Claims and Product Recalls. Turkey products may be subject to contamination by disease producing organisms. These organisms are generally found in the environment and as a result, there is a risk that they may contaminate products. Even an inadvertent shipment of contaminated products is a violation of law and may lead to increased risk of exposure to product liability claims, product recalls and increased scrutiny by federal and state regulatory agencies and may have a material adverse effect on the company's business, reputation, and prospects. This could adversely affect the results of operations and financial condition of Butterball and the value of Seaboard's investment in Butterball.
- (7) Health Risk to Poultry Could Adversely Affect Production, the Supply of Raw Materials and Butterball's Business. Butterball is subject to risks relating to its ability to maintain animal health and control diseases, such as avian influenza. The general health of the turkeys and reproductive performance can have an adverse impact on production and production costs, the supply of raw material to Butterball's processing operations and consumer confidence. If Butterball's turkeys are affected by disease, Butterball may be required to destroy infected birds, which could adversely affect Butterball's production or ability to sell or export its products. Adverse publicity concerning any disease or health concern could also cause customers to lose confidence in the safety and quality of Butterball food products, resulting in an adverse effect on Butterball's results of operations and the value of Seaboard's investment in Butterball.

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- (8) Butterball May be Unable to Obtain Appropriate Personnel at Remote Locations. The remote locations of some of the turkey processing plants and live turkey operations, along with a more restrictive national policy on immigration, could negatively affect the availability and cost of labor. Butterball is dependent on having sufficient properly trained operations personnel. Attracting and retaining qualified personnel is important to Butterball's success. The inability to acquire and retain the services of such personnel could have a material adverse effect on Butterball's operations and the value of Seaboard's investment in Butterball.

Item 1B. Unresolved Staff Comments

None

Item 2. Properties

As of December 31, 2015, Seaboard's principal properties by Division are described below:

(1) Pork - Seaboard's Pork Division owns a hog processing plant in Guymon, Oklahoma, which opened in 1995. It has a daily double shift capacity to process approximately 20,500 hogs and generally operates at capacity with additional weekend shifts depending on market conditions. Seaboard's hog production operations consist of the breeding and raising of approximately four million hogs annually at facilities it primarily owns or at facilities owned and operated by third parties with whom it has grower contracts. This business owns and operates five centrally located feed mills, which have a combined capacity to produce approximately two million tons of formulated feed annually. These feed mills are used primarily to support Seaboard's existing hog production, and have the capability of supporting additional hog production in the future. These facilities are located in Oklahoma, Texas, Kansas and Colorado. The Pork Division also operates a ham-boning and processing plant in Mexico that has the capacity to process 96 million pounds of ham annually.

The Pork Division owns a biodiesel plant in Guymon, Oklahoma with the capacity to produce 36 million gallons of biodiesel annually, which is currently produced from pork fat from Seaboard's Guymon pork processing plant and from animal fat supplied by non-Seaboard facilities. The facility can also produce biodiesel from vegetable oil.

Seaboard's Pork Division's non-consolidated affiliate, Daily's, owns two bacon further processing plants located in Salt Lake City, Utah and Missoula, Montana. These plants are utilized near capacity throughout the year, which is a combined daily smoking capacity of approximately 350,000 pounds of raw pork bellies. In the second quarter of 2015, Daily's began construction on a third further processing plant located in St. Joseph, Missouri, which is expected to have daily capacity of 230,000 pounds of raw pork bellies. Operations are anticipated to begin in mid-2016.

Also, the Pork Division and Triumph formed another joint venture during 2015 to develop and operate a pork processing facility in Sioux City, Iowa, which is anticipated to begin operations in mid-2017. The plant is expected to process about three million market hogs annually operating a single shift.

(2) Commodity Trading and Milling - Seaboard's Commodity Trading and Milling Division owns, in whole or in part, grain-processing and related agribusiness operations in 19 countries which have the capacity to mill approximately 10,300 metric tons of wheat and maize per day. In addition, Seaboard has feed mill capacity of approximately 175 metric tons per hour to produce formula animal feed. The grain-processing and related agribusiness operations located in Botswana, Brazil, Colombia, Democratic Republic of Congo, Ecuador, Gambia, Ghana, Guyana, Haiti, Jamaica, Kenya, Lesotho, Madagascar, Mozambique, Nigeria, Republic of Congo, South Africa, Turkey, Uganda, Uruguay, and Zambia own their facilities; and in Kenya, Lesotho, Mozambique, Nigeria, and Republic of Congo the land on which the facilities are located is leased under long-term agreements. Certain foreign milling operations may operate at less than full capacity due to low demand, poor consumer purchasing power, excess milling capacity in their competitive environment or imported flour. In addition, this division has an investment through non-consolidated affiliates in poultry businesses operating in parts of Eastern and Southern Africa. This division also has an investment through a non-consolidated affiliate in a bakery business in the Democratic Republic of Congo. Seaboard owns three 18,900 metric ton deadweight dry bulk carriers and charters between 29 and 52 bulk carriers with deadweights ranging from 5,000 to 76,000 metric tons under short-term agreements. The Commodity Trading and Milling Division took delivery of two dry

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bulk vessels built for a total cost of approximately \$45 million during 2015. An additional vessel was delivered in January 2016, and the final vessel is expected to be delivered during the first half of 2016 for a total cost of approximately \$45 million. Seaboard entered into sales-leaseback transactions for the vessels delivered and anticipates selling and leasing back the remaining vessel when completed, which would result in Seaboard receiving back the amounts spent to build the vessels.

(3) Marine - Seaboard's Marine Division leases approximately 267,000 square feet of off-port warehouse space and 95 acres of port terminal land and facilities in Miami, Florida, which are used in its containerized cargo operations. Seaboard also leases an approximately 62 acre cargo handling and terminal facility in Houston, Texas, which includes several on-dock warehouses totaling approximately 690,000 square feet for cargo storage. At December 31, 2015, Seaboard owned three ocean cargo vessels with deadweights ranging from 7,700 to 11,000 metric tons. In addition, Seaboard chartered approximately 22 vessels under contracts that typically range from approximately six months to three years with deadweights ranging from approximately 8,000 to 33,900 metric tons but has also entered into some longer-term charters up to ten years. Seaboard owns or leases dry, refrigerated and specialized containers and other related equipment.

(4) Sugar - Seaboard's Argentine Sugar Division owns nearly 70,000 acres of planted sugarcane and a sugar mill with a current capacity to process approximately 250,000 metric tons of sugar and an alcohol distillery with a current capacity of approximately 15 million gallons of alcohol per year. This capacity is sufficient to process all of the cane harvested by this division and additional quantities purchased from third party farmers in the region. Depending on local market conditions, this business also purchases third-party sugar for resale. The sugarcane fields and processing mill are located in northern Argentina in the Salta Province, which experiences seasonal rainfalls that may limit the harvest season, which then affects the duration of mill operations and quantities of sugar and alcohol produced. The Sugar Division also owns a 51 megawatt cogeneration power plant that supplies electricity to the Argentine power grid under renewable energy contracts with an Argentine state owned company. The plant is powered by the burning of sugarcane by-products, natural gas and other biomass when available.

(5) Power - Seaboard's Power Division owns one floating electric power generating facility (108 megawatts). The facility consists of a system of diesel engines mounted onto barge-type vessels located on the Ozama River in Santo Domingo, Dominican Republic. The owned facility is capable of using natural gas or heavy fuel oil. Seaboard operates as an independent power producer generating electricity for the local power grid. Seaboard is not directly involved in the transmission and distribution facilities that deliver the power to the end user.

(6) Turkey - Seaboard's Turkey Segment has a total of four processing plants, three further processing plants and numerous company and third-party live production facilities and feed milling operations, all of which are located in North Carolina, Arkansas, Missouri, Illinois and Kansas. These plants produce over one billion pounds of turkey each year.

(7) Other - Seaboard owns a jalapeño pepper processing plant and warehouse in Honduras.

In addition to the information provided above, the information under the caption "Principal Locations" of Seaboard's Annual Report to Stockholders is incorporated herein by reference.

Management believes that Seaboard's present facilities are adequate and suitable for its current purposes.

Item 3. Legal Proceedings

The information required by this item is incorporated herein by reference to Note 10 to the Consolidated Financial Statements included in Seaboard's Annual Report to Stockholders.

Item 4. Mine Safety Disclosures

Not Applicable.

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PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

In December 2012, Seaboard declared and paid a dividend of \$12.00 per share on the common stock. The amount of the dividend (which has historically been \$0.75 per share on a quarterly basis or \$3.00 per share on an annual basis) represented a prepayment of the annual 2013, 2014, 2015 and 2016 dividends (\$3.00 per share per year). Therefore, Seaboard did not declare a dividend during the three years ended December 31, 2015, and does not currently intend to declare a dividend for 2016. As discussed in Note 7 to the Consolidated Financial Statements included in Seaboard's Annual Report to Stockholders (which discussion is incorporated herein by reference), Seaboard's ability to declare and pay dividends is subject to limitations imposed by debt agreements referred to there.

Seaboard has not established any equity compensation plans or individual agreements for its employees under which Seaboard common stock, or options, rights or warrants with respect to Seaboard common stock, may be granted.

Seaboard presently may repurchase up to \$100 million market value of its common stock from time to time in open market or privately negotiated purchases under its share repurchase program. See Note 11 to the Consolidated Financial Statements included in Seaboard's Annual Report to Stockholders for further discussion. There were no purchases made by or on behalf of Seaboard or any "affiliated purchaser" (as defined by applicable rules of the Commission) of shares of Seaboard's common stock during the fourth quarter of the fiscal year covered by this report.

In addition to the information provided above, the information required by this item is incorporated herein by reference to the information under the captions of "Stockholder Information - Stock Listing," "Quarterly Financial Data" and "Company Performance Graph" of Seaboard's Annual Report to Stockholders.

Item 6. Selected Financial Data

The information required by this item is incorporated herein by reference to the "Summary of Selected Financial Data" of Seaboard's Annual Report to Stockholders.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information required by this item is incorporated herein by reference to "Management's Discussion and Analysis of Financial Condition and Results of Operations" of Seaboard's Annual Report to Stockholders.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The information required by this item is incorporated herein by reference to the information under the caption "Derivative Information" within "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Derivative Instruments and Hedging Activities" within Note 1, and Note 8 of Seaboard's Consolidated Financial Statements of Seaboard's Annual Report to Stockholders.

Item 8. Financial Statements and Supplementary Data

The information required by this item is incorporated herein by reference to the information under the captions "Quarterly Financial Data," "Report of Independent Registered Public Accounting Firm," "Consolidated Statements of Comprehensive Income," "Consolidated Balance Sheets," "Consolidated Statements of Cash Flows," "Consolidated Statements of Changes in Equity" and "Notes to Consolidated Financial Statements" included in Seaboard's Annual Report to Stockholders and attached as Exhibit 13 to this report.

FORM 10-K

SEABOARD CORPORATION

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures – As of December 31, 2015, Seaboard’s management has evaluated, under the direction of our chief executive and chief financial officers, the effectiveness of Seaboard’s disclosure controls and procedures, as defined under the Securities Exchange Act of 1934 (the “Exchange Act”) rule 13a-15(e). Based upon and as of the date of that evaluation, Seaboard’s chief executive and chief financial officers concluded that Seaboard’s disclosure controls and procedures were effective to ensure that information required to be disclosed in the reports it files and submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported as and when required. It should be noted that any system of disclosure controls and procedures, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any system of disclosure controls and procedures is based in part upon assumptions about the likelihood of future events. Due to these and other inherent limitations of any such system, there can be no assurance that any design will always succeed in achieving its stated goals under all potential future conditions.

Reports on Internal Control Over Financial Reporting – Management’s report on internal control over financial reporting and the attestation report of KPMG LLP, Seaboard’s independent registered public accounting firm, on Seaboard’s internal control over financial reporting, as defined in Exchange Act rule 13a-15(f), is incorporated herein by reference to all information under the captions “Management’s Report on Internal Control over Financial Reporting” and “Report of Independent Registered Public Accounting Firm,” respectively, of Seaboard’s Annual Report to Stockholders and attached as Exhibit 13 to this report.

Change in Internal Control Over Financial Reporting – There have been no change in Seaboard’s internal control over financial reporting that occurred during the fiscal quarter ended December 31, 2015 that has materially affected, or is reasonably likely to materially affect, Seaboard’s internal control over financial reporting.

Item 9B. Other Information

None.

FORM 10-K

SEABOARD CORPORATION

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information about the executive officers of the Company is included under the caption “Executive Officers of the Registrant” in Item 1 of this annual report on Form 10-K.

Seaboard has a Code of Ethics Policy (the “Code”) for directors, officers (including our chief executive officer, chief financial officer, chief accounting officer, and persons performing similar functions) and employees. Seaboard has posted the Code on its internet website, www.seaboardcorp.com, and intends to disclose any future changes and waivers to the Code by posting such information on that website.

In addition to the information provided above, the information required by this item is incorporated herein by reference to the information under the captions “Item 1: Election of Directors,” “Board of Directors Information – Committees of the Board – Audit Committee,” “Board of Directors Information – Director Nominations” and “Section 16(a) Beneficial Ownership Reporting Compliance” of Seaboard’s definitive proxy statement for the 2016 annual meeting of stockholders, which will be filed no later than 120 days after December 31, 2015 (“Proxy Statement”).

Item 11. Executive Compensation

The information required by this item is incorporated herein by reference to the information under the captions “Board of Directors Information – Compensation of Directors,” “Executive Compensation and Other Information,” “Employment Arrangements with Named Executive Officers,” “Benefit Plans,” “Compensation Committee Interlocks and Insider Participation,” “Compensation Committee Report,” and “Compensation Discussion and Analysis” included in our Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Seaboard has not established any equity compensation plans or individual agreements for its employees under which Seaboard common stock, or options, rights or warrants with respect to Seaboard common stock may be granted.

In addition to the information provided above, the information required by this item is incorporated herein by reference to the information under the captions “Principal Stockholders” and “Share Ownership of Management and Directors” included in our Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated herein by reference to the information under the captions “Compensation Committee Interlocks and Insider Participation,” “Board of Directors Information – Controlled Corporation” and “Board of Directors Information – Committees of the Board” included in our Proxy Statement.

Item 14. Principal Accounting Fees and Services

The information required by this item is incorporated herein by reference to the information under the captions “Item 2: Selection of Independent Auditors” included in our Proxy Statement.

FORM 10-K

SEABOARD CORPORATION

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) List the following documents filed as a part of the report:

1. Financial statements.

The consolidated financial statements and accompanying notes are incorporated herein by reference to the Annual Report to Stockholders filed as Exhibit 13 hereto.

2. Financial statement schedules.

Schedule II - Valuation and Qualifying Accounts

All other schedules are omitted as the required information is inapplicable or the information is presented in the consolidated financial statements or related consolidated notes.

3. Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
3.1	Seaboard Corporation Restated Certificate of Incorporation. Incorporated herein by reference to Exhibit 3.1 of Seaboard's Form 10-Q for the quarter ended April 4, 2009.
3.2	Seaboard Corporation By-laws, as amended. Incorporated herein by reference to Exhibit 3.2 of Seaboard's Form 10-K for fiscal year ended December 31, 2005.
10.1*	Seaboard Corporation Executive Deferred Compensation Plan as Amended and Restated Effective January 1, 2009 and dated December 22, 2008, amending and restating the Seaboard Corporation Executive Deferred Compensation Plan dated December 29, 2005. Incorporated herein by reference to Exhibit 10.2 of Seaboard's Form 10-K for fiscal year ended December 31, 2008.
10.2*	Seaboard Corporation Executive Retirement Plan Trust dated November 5, 2004 between Seaboard Corporation and Robert L. Steer as trustee. Incorporated herein by reference to Exhibit 10.2 of Seaboard's Form 10-Q for the quarter ended October 2, 2004.
10.3*	Seaboard Corporation Retiree Medical Benefit Plan as Amended and Restated Effective January 1, 2009 and dated December 22, 2008, amending and restating the Seaboard Corporation Retiree Medical Benefit Plan dated March 4, 2005. Incorporated herein by reference to Exhibit 10.6 of Seaboard's Form 10-K for fiscal year ended December 31, 2008.
10.4*	First Amendment to the Seaboard Corporation Retiree Medical Benefit Plan Effective March 25, 2015 and dated March 31, 2015. Incorporated herein by reference to Exhibit 10.1 of Seaboard's Form 10-Q for the quarter ended April 4, 2015.
10.5*	Seaboard Corporation Non-Qualified Deferred Compensation Plan Effective January 1, 2009 and dated December 22, 2008, amending and restating the Seaboard Corporation Nonqualified Deferred Compensation Plan dated December 29, 2005. Incorporated herein by reference to Exhibit 10.12 of Seaboard's Form 10-K for fiscal year ended December 31, 2008.
10.6*	Amendment No. 1 to the Seaboard Corporation Non-Qualified Deferred Compensation Plan Effective January 1, 2009 and dated December 17, 2009. Incorporated herein by reference to Exhibit 10.2 of Seaboard's Form 10-K for fiscal year ended December 31, 2009.
10.7*	Seaboard Corporation 409A Executive Retirement Plan Amended and Restated Effective January 1, 2013 and dated December 21, 2012, amending and restating the Seaboard Corporation Executive Retirement Plan, Amendment and Restatement dated December 22, 2008. Incorporated by reference to Exhibit 10.14 to Seaboard's Form 10-K for fiscal year ended December 31, 2012.

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SEABOARD CORPORATION

- 10.8*+ First Amendment to the Seaboard Corporation 409A Executive Retirement Plan effective as of January 1, 2015 and dated January 14, 2016.
- 10.9* Seaboard Corporation Cash Balance Executive Retirement Plan Amendment and Restatement Effective January 1, 2013 and dated December 21, 2012, amending and restating the Seaboard Corporation Cash Balance Executive Retirement Plan dated December 18, 2009. Incorporated by reference to Exhibit 10.15 to Seaboard's Form 10-K for fiscal year ended December 31, 2012.
- 10.10* Seaboard Marine Ltd. 401(k) Excess Plan Effective January 1, 2009 and dated December 18, 2009. Incorporated herein by reference to Exhibit 10.2 of Seaboard's Form 10-K for fiscal year ended December 31, 2009.
- 10.11* Seaboard Corporation Investment Option Plan dated December 18, 2000. Incorporated herein by reference to Exhibit 10.7 of Seaboard's Form 10-K for fiscal year ended December 31, 2000.
- 10.12* Seaboard Corporation Executive Officers' Bonus Policy. Incorporated herein by reference to Exhibit 10.10 of Seaboard's Form 10-K for fiscal year ended December 31, 2005.
- 10.13* Employment Agreement between Seaboard Corporation and Steven J. Bresky dated December 21, 2012. Incorporated by reference to Exhibit 10.16 to Seaboard's Form 10-K for fiscal year ended December 31, 2012.
- 10.14* Employment Agreement between Seaboard Corporation and Robert L. Steer dated December 21, 2012. Incorporated by reference to Exhibit 10.17 to Seaboard's Form 10-K for fiscal year ended December 31, 2012.
- 10.15* Employment Agreement between Seaboard Foods LLC and Terry J. Holton, dated December 21, 2012. Incorporated by reference to Exhibit 10.18 to Seaboard's Form 10-K for fiscal year ended December 31, 2012.
- 10.16* Employment Agreement between Seaboard Overseas and Trading Group and David M. Dannov dated December 21, 2012. Incorporated by reference to Exhibit 10.19 to Seaboard's Form 10-K for fiscal year ended December 31, 2012.
- 10.17* Employment Agreement between Seaboard Marine Ltd. and Edward A. Gonzalez dated December 21, 2012. Incorporated by reference to Exhibit 10.20 to Seaboard's Form 10-K for fiscal year ended December 31, 2012.
- 10.18 Amended and Restated Terminal Agreement between Miami-Dade County and Seaboard Marine Ltd. for Marine Terminal Operations, dated May 30, 2008. Incorporated herein by reference to Exhibit 10.1 of Seaboard's Form 8-K dated May 30, 2008.
- 10.19 Amendment No. 1 to Amended and Restated Terminal Agreement between Miami-Dade County and Seaboard Marine, Ltd. for Marine Terminal Operations dated March 30, 2009. Incorporated herein by reference to Exhibit 10.1 of Seaboard's Form 10-Q for the quarter ended June 29, 2013.
- 10.20 Amendment No. 2 to Amended and Restated Terminal Agreement between Miami-Dade County and Seaboard Marine, Ltd. for Marine Terminal Operations dated July 31, 2013. Incorporated herein by reference to Exhibit 10.2 of Seaboard's Form 10-Q for the quarter ended June 29, 2013.
- 10.21 Marketing Agreement dated February 2, 2004 by and among Seaboard Corporation, Seaboard Farms, Inc., Triumph Foods, LLC, and for certain limited purposes only, the members of Triumph Foods, LLC. Incorporated herein by reference to Exhibit 10.2 of Seaboard's Form 8-K dated February 3, 2004.
- 10.22 Seaboard Triumph Foods, LLC Subscription Agreement dated May 13, 2015. Incorporated herein by reference to Exhibit 10.1 of Seaboard's Form 8-K dated May 13, 2015.

FORM 10-K

SEABOARD CORPORATION

10.23	Term Loan Credit Agreement dated December 4, 2015. Incorporated herein by reference to Exhibit 10.1 of Seaboard's Form 8-K dated December 9, 2015.
10.24+	Asset Purchase Agreement by and among Christensen Farms & Feedlots, Inc., Christensen Farms Midwest, LLC, Seaboard Foods of Iowa, LLC, Seaboard Foods LLC and Woodford Creek Farms LLP dated January 26, 2016.
10.25+	First Amendment to the Asset Purchase Agreement dated February 6, 2016.
13+	Sections of 2015 Annual Report to Stockholders specifically incorporated herein by reference herein.
21+	List of subsidiaries.
31.1+	Certification of the Chief Executive Officer Pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2+	Certification of the Chief Financial Officer Pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1+	Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2+	Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1+	Audited statements of Butterball, LLC as of and for the years ended January 3, 2016, December 28, 2014 and December 29, 2013.
101.INS+	XBRL Instance Document.
101.SCH+	XBRL Taxonomy Extension Schema Document.
101.CAL+	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF+	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB+	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE+	XBRL Taxonomy Extension Presentation Linkbase Document.

* Management contract or compensatory plan or arrangement.

+ Filed electronically herewith.

(b) Exhibits.

See exhibits identified above under Item 15(a)(3)

(c) Financial Statement Schedules.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SEABOARD CORPORATION

By /s/ Steven J. Bresky
Steven J. Bresky, Chairman of the Board,
President and Chief Executive Officer

Date: February 25, 2016

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Name</u>	<u>Date</u>	<u>Title</u>
<u>/s/ Steven J. Bresky</u> Steven J. Bresky	February 25, 2016	Chairman of the Board, President, Chief Executive Officer and Director (principal executive officer)
<u>/s/ Robert L. Steer</u> Robert L. Steer	February 25, 2016	Executive Vice President, Chief Financial Officer (principal financial officer)
<u>/s/ Michael D. Trollinger</u> Michael D. Trollinger	February 25, 2016	Vice President, Corporate Controller and Chief Accounting Officer (principal accounting officer)
<u>/s/ David A. Adamsen</u> David A. Adamsen	February 25, 2016	Director
<u>/s/ Douglas W. Baena</u> Douglas W. Baena	February 25, 2016	Director
<u>/s/ Edward I. Shifman, Jr.</u> Edward I. Shifman, Jr.	February 25, 2016	Director

SEABOARD CORPORATION AND SUBSIDIARIES
Valuation and Qualifying Accounts
(In Millions)

	Balance at beginning of year	Provision ⁽¹⁾	Net deductions ⁽²⁾	Balance at end of year
Allowance for Doubtful Accounts:				
Year Ended December 31, 2015	\$ 12	13	(4)	\$ 21
Year Ended December 31, 2014	\$ 13	—	(1)	\$ 12
Year Ended December 31, 2013	\$ 12	3	(2)	\$ 13

⁽¹⁾ The allowance for doubtful accounts provision is charged to selling, general and administrative expenses.

⁽²⁾ Includes write-offs net of recoveries and currency translation adjustments.

	Balance at beginning of year	Charged (credit) to expense	Balance at end of year
Allowance for Deferred Tax Assets:			
Year Ended December 31, 2015	\$ 21	(2)	\$ 19
Year Ended December 31, 2014	\$ 18	3	\$ 21
Year Ended December 31, 2013	\$ 12	6	\$ 18

	Balance at beginning of year	Credit to expense	Balance at end of year
Reserve for LIFO Valuation:			
Year Ended December 31, 2015	\$ 37	(9)	\$ 28
Year Ended December 31, 2014	\$ 62	(25)	\$ 37
Year Ended December 31, 2013	\$ 91	(29)	\$ 62

See accompanying report of independent registered public accounting firm.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Seaboard Corporation:

Under date of February 25, 2016, we reported on the consolidated balance sheets of Seaboard Corporation and subsidiaries (the Company) as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2015, as contained in the annual report on Form 10-K for the year 2015. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedule noted as Schedule II under Item 15(a)(2). This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our audits.

In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ KPMG LLP

Kansas City, Missouri
February 25, 2016

**FIRST AMENDMENT TO THE
SEABOARD CORPORATION
409A EXECUTIVE RETIREMENT PLAN
AMENDED AND RESTATED
EFFECTIVE JANUARY 1, 2013**

Seaboard Corporation (the “Company”) adopted the Seaboard Corporation 409A Executive Retirement Plan, amended and restated and effective January 1, 2013 (the “Plan”), and desires to adopt this First Amendment (the “Amendment”) to amend the Plan effective January 1, 2015 to allow other Participants to enter the Plan, and to make certain other changes to the Plan with respect to said Participants.

NOW, THEREFORE, the Plan is amended as follows:

1. Amendment to Section 3.1. Section 3.1 of the Plan is amended to delete at the end of said Section the following sentence: “There will be no other Participants in the Plan.”, and to add the following sentence in place thereof:

The President of the Company may designate additional employees of the Company to become a Participant in the Plan. If an additional employee is so designated, a new Addendum B, including the added Participant, shall be prepared and attached to the Plan. Such employee’s Participation Date will be the date specified by the President of the Company.

2. Amendment to Section 2.4 – Definition of Actuarial Value. Section 2.4 of the Plan setting forth the definition of Actuarial Value is deleted and replaced with the following definition:

Section 2.4 **Actuarial Value** means the lump sum equivalent value as of the payment date of a Participant’s Post 2012 Accrued Benefit or Pre 2013 Accrued Benefit payable at his Normal Retirement Date and determined by using (i) the average annual interest rate on 30 year Treasury securities as specified by the Commissioner of the Internal Revenue Service (the “Commissioner”) for the 36 month period ending on November immediately preceding the Plan Year in which the earlier of such lump sum is (a) paid to the Participant or (b) calculated and credited to the Participant’s 162(m) Account, which interest rate shall not be less than 5 percent to determine the Actuarial Value for any employee becoming a Participant in the Plan on or after January 1, 2015, and (ii) the applicable mortality table used for purposes of satisfying the requirements of Code Section 417(e) as of the applicable benefit commencement date set forth in Section 6.3.

3. Amendment to Section 2.12 – Definition of Disability. Section 2.12 of the Plan is amended to change the two references in Section 2.12 from “six months” to “twelve months” in the fourth and sixth lines of said Section 2.12.

4. Amendment to Section 2.19 – Definition of Final Average Earnings Limit. Section 2.19 of the Plan setting forth the definition for Final Average Earnings Limit is deleted and replaced with the following definition:

Section 2.19. **Final Average Earnings Limit** means:

(A) with respect to Participants in the Plan prior to the Effective Date, a limitation generally based upon a Participant’s Earnings for the 2011 Plan Year, as provided in this Section 2.19. Unless otherwise provided in an agreement between a Participant and the Company, for each of Steven Bresky, Robert Steer, David Dannov and Terry Holton, Final Average Earnings cannot exceed one hundred percent (100%) of such Participant’s 2011 Earnings. Unless otherwise provided in an agreement between a Participant and the Company, for

any other Participant, Final Average Earnings cannot exceed one hundred fifty percent (150%) of such Participant's 2011 Earnings; and

- (B) with respect to employees becoming Participants in the Plan on or after January 1, 2015, the Final Average Earnings for purposes of the Plan cannot exceed the amount specified in the designation of the President pursuant to Section 3.1 pursuant to which the employee became a Participant in the Plan.

5. Amendment to Section 2.45 – Years of Post Participation Accrual Service Limit.

Section 2.45. Years of Post Participation Accrual Service Limit means:

- (A) (a) with respect to Participants in the Plan prior to the Effective Date, unless otherwise provided in an agreement between a Participant and the Company, for each Participant who is as of the Effective Date a Named Executive Officer or an Officer of Seaboard Corporation, 20 Years of Post Participation Accrual Service, (b) for each Participant who is as of the Effective Date an Officer of a Related Company, 15 Years of Post Participation Accrual Service, and (c) for each Participant who is as of the Effective Date neither a Named Executive Officer nor an Officer of the Company or any Related Company, 10 Years of Post Participation Accrual Service. For these purposes, the General Counsel of SOTG (Zach Holden) is an Officer of a Related Company and not the Company; and
- (B) with respect to employees becoming Participants in the Plan on or after January 1, 2015, the Years of Post Participation Accrual Service Limit for purposes of the Plan cannot exceed the amount specified in the designation of the President pursuant to Section 3.1 pursuant to which the employee became a Participant in the Plan.

6. Amendment to Section 4.1(b)(ii) – Post Participation Service Benefit. Section 4.1(b)(ii) is deleted from the Plan and replaced with the following:

- (ii) Post Participation Service Benefit. A Participant's Post Participation Service Benefit will be determined taking into account the Participant's Years of Post Participation Accrual Service and will be an amount equal to: (A) with respect to Participants in the Plan prior to January 1, 2015, two and one half percent (2.5%) of Final Average Earnings, multiplied by his Years of Post Participation Accrual Service; and (B) with respect to employees who become Participants in the Plan on or after January 1, 2015, two percent (2%) of his Final Average Earnings, multiplied by his Years of Post Participation Accrual Service. The relevant Post Participation Service Benefit percentage for each Participant shall be listed on Addendum B.

7. Plan Continues in Effect. The Plan, as amended by this First Amendment, shall continue in full force and effect, pursuant to the terms of the Plan, as amended by this First Amendment.

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed as of this 14th day of January, 2016.

SEABOARD CORPORATION

By: /s/ Steven J. Bresky
Steven J. Bresky
President

ASSET PURCHASE AGREEMENT

by and among

CHRISTENSEN FARMS & FEEDLOTS, INC.,

CHRISTENSEN FARMS MIDWEST, LLC,

SEABOARD FOODS OF IOWA, LLC,

SEABOARD FOODS LLC

and

WOODFORD CREEK FARMS LLP

Dated as of January 26, 2016

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Schedule 1.1(b)(viii)	Colorado Tangible Personal Property
Schedule 1.1(b)(ix)	SF Acquired Contracts
Schedule 1.1(b)(x)	Colorado Effluent Easements
Schedule 1.1(b)(xi)	SF Acquired Permits
Schedule 1.1(c)(i)	Woodford CFF Sites
Schedule 1.1(c)(ii)	Bare Land Property
Schedule 1.1(c)(iii)	Woodford Acquired Contracts
Schedule 1.1(c)(iv)	Iowa Effluent Easements
Schedule 1.1(c)(v)	Woodford Acquired Permits
Schedule 1.1(c)(vi)	Iowa Tangible Personal Property
Schedule 1.2(m)	Excluded Assets
Schedule 3.4	Consents
Schedule 3.5	Subsidiaries
Schedule 3.6(b)(i)	Owned Real Property
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Schedule 3.7	Litigation
Schedule 3.8	Compliance with Laws
Schedule 3.9	Operation of the Business
Schedule 3.10	Absence of Changes
Schedule 3.11	Labor Matters
Schedule 3.11(d)	Employees and Independent Contractors
Schedule 3.11(e)	Government Contracting
Schedule 3.12(a)	Employee Benefit Plans
Schedule 3.13	Environmental and Safety
Schedule 3.14	Other Material Contracts
Schedule 3.16(a)	Intellectual Property
Schedule 3.17	Insurance Policies
Schedule 3.19	Taxes
Schedule 11.1(a)	Permitted Liens

LIST OF EXHIBITS

Exhibit A	Pig Inventory Value Methodology
Exhibit B	Form of Bill of Sale
Exhibit C	Form of Assignment and Assumption Agreement
Exhibit D	Form of Transition Management Support and Services Agreement
Exhibit E	Form of Assignment of Easements
Exhibit F	Form of FIRPTA Certificates

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement"), dated as of this 26th day of January, 2016, is by and among Seaboard Foods of Iowa, LLC, a Delaware limited liability company ("SFI"), Seaboard Foods LLC, an Oklahoma limited liability company ("SF"), Woodford Creek Farms LLP, an Iowa limited liability partnership ("Woodford" and, together with SFI and SF, "Buyer Parties" and each individually a "Buyer Party"), Christensen Farms & Feedlots, Inc., a Minnesota corporation ("CFFI"), and Christensen Farms Midwest, LLC, a Minnesota limited liability company ("CFM" and, together with CFFI, "Seller Parties" and each individually a "Seller Party"). Each Seller Party and Buyer Party is sometimes individually referred to as a "Party," and they are sometimes collectively referred to as the "Parties."

RECITALS

A. Seller Parties own and operate the following facilities (the "Facilities"):

(i) hog confinement facilities located in Iowa and Colorado (collectively, the "CFF Sites") and more specifically identified and described on Schedule 1.1(a)(i) and Schedule 1.1(c)(i), respectively;

(ii) a feed mill located in Iowa Falls, Iowa (the "Feed Mill") and more specifically identified and described on Schedule 1.1(a)(ii); and

(iii) truck wash facilities (collectively, the "Truck Washes") located in Alden and Bloomfield, Iowa and more specifically identified and described on Schedule 1.1(a)(iii);

B. Seller Parties have entered into contract grower agreements with the owners of contract finisher facilities located in Iowa (collectively, the "Contract Producer Sites") and more specifically identified and described on Schedule 1.1(a)(x)(2);

C. Seller Parties are engaged in the business (the "Business") of (i) breeding, producing, marketing, distributing and selling pigs at, or from, the CFF Sites and the Contract Producer Sites and (ii) operating the Feed Mill and Truck Washes;

D. Each Seller Party desires to sell to certain of Buyer Parties, as set forth herein, substantially all of its assets used by one or both of Seller Parties in the Business, and Buyer Parties desire to purchase from Seller Parties such assets and assume certain liabilities of Seller Parties, upon the terms and conditions set forth herein (the "Acquisitions");

E. Buyer Parties and Seller Parties desire to make certain representations, warranties, covenants and agreements specified herein in connection with the Acquisitions and to prescribe certain conditions to the consummation of the Acquisitions; and

F. Capitalized terms used in this Agreement without definition have the respective meanings set forth in Article 11.

AGREEMENT

In consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1 PURCHASE AND SALE

1.1 Purchase and Sale of Acquired Assets. Subject to the terms and conditions of this Agreement, at the Closing:

(a) Acquired Assets Purchased by SFI. SFI shall purchase from Seller Parties, and Seller Parties shall sell, transfer, assign, convey and deliver to SFI, or cause to be sold, transferred, conveyed, assigned and delivered to SF, free and clear of all Indebtedness and Liens (other than Permitted Liens), all right, title and interest of Seller Parties in, to and under the assets, properties, goodwill and other rights of every nature, kind and description, tangible and intangible, whether or not carried on the books of Seller Parties, in each case, that relate primarily or exclusively to the Business or that are used by or are held for the benefit of either Seller Party related primarily or exclusively to the Business (in each case, other than the SF Acquired Assets, the Woodford Acquired Assets and the Excluded Assets) (collectively, the "SFI Acquired Assets"), including the following:

(i) the real property owned by Seller Parties and comprising the CFF Sites located in Colorado, as more specifically identified and described on Schedule 1.1(a)(i) (specifically excluding all Improvements located thereon), together with all easements (other than the Effluent Easements), rights-of-way, water rights, oil, gas and mineral rights, wells, all other rights appurtenant thereto and all zoning rights, air rights and development rights, in each case, relating to CFF Sites located in Colorado;

(ii) the real property owned by Seller Parties and comprising the site of the Feed Mill, as more specifically identified and described on Schedule 1.1(a)(ii), together with all Improvements located thereon and all easements, rights-of-way, water rights, oil, gas and mineral rights, wells, all other rights appurtenant thereto and all zoning rights, air rights and development rights, in each case, relating to Feed Mill;

(iii) the real property owned by Seller Parties and comprising the sites of the Truck Washes, as more specifically identified and described on Schedule 1.1(a)(iii), together with all Improvements located thereon and all easements, rights-of-way, water rights, oil, gas and mineral rights, wells, all other rights appurtenant thereto and all zoning rights, air rights and development rights, in each case, relating to the Truck Washes;

(iv) all unweaned, suckling pigs owned by Seller Parties that are located at the CFF Sites located in Iowa at the Effective Time (collectively, the "Iowa Unweaned Pig Inventory");

(v) all sows, boars, gilts and breeding stock owned by Seller Parties that are located at the CFF Sites located in Iowa at the Effective Time, including all bred sows, gestating sows, unbred sows, cull sows, unbred gilts and boars at the CFF Sites located in Iowa at the Effective Time (collectively, together with the Iowa Unweaned Pig Inventory, the "Iowa Breeding Stock"), and all unborn piglets of the Iowa Breeding Stock;

(vi) all weaned pigs, feeder pigs and grow-finish pigs owned by Seller Parties that are located at the CFF Sites located in Iowa and the Contract Producer Sites at the Effective Time (collectively, "Iowa Grow-Finish Inventory" and, together with the Iowa Breeding Stock, the "Iowa Swine Inventory");

(vii) all feed and feed ingredients owned by a Seller Party that are located at the CFF Sites located in Iowa, the Contract Producer Sites and the Feed Mill at the Effective Time (collectively, the "Iowa Feed Inventory");

(viii) all inventories of animal health supplies and medications, including injectable and other treatments, liquid propane and farm supplies and materials (other than Feed Inventory) owned by a Seller Party that are located at the CFF Sites located in Iowa and the Contract Producer Sites at the Effective Time (collectively, the "Iowa Other Inventory");

(ix) the vehicles, trucks, trailers and other rolling stock owned or leased by Seller Parties set forth on Schedule 1.1(a)(ix) that are located in Iowa (collectively, the "Iowa Rolling Stock");

(x) all of Seller Parties' rights and incidents of interest in, to and under the Contracts set forth on Schedule 1.1(a)(x)(1), including the contractor-producer Contracts related to the Contract Producer Sites identified and described on Schedule 1.1(a)(x)(2) and the lease Contracts related to the leased Iowa Rolling Stock (collectively, the "SFI Acquired Contracts");

(xi) to the extent assignable or transferable by Seller Parties, all Permits issued primarily or exclusively in connection with the operation of the Business in Iowa, in each case, other than the Woodford Permits, or the ownership, possession, occupancy or use of the Feed Mill or Truck Washes located in Iowa, including the Permits identified in Schedule 1.1(a)(xi), and all pending applications for any such Permits (collectively, the "SFI Acquired Permits");

(xii) all fixed assets, equipment, machinery, inventory, fixtures, furniture, computers and Software on the computers necessary to operate such hardware at the Facilities, tools, spare parts, supplies and other tangible personal property owned or leased by a Seller Party, in each case, that is (A) located at the Feed Mill, (B) located at a Truck Wash, (C) located at the Bloomfield, Iowa office, or (D) identified in Schedule 1.1(a)(xii) (the "SFI Tangible Personal Property");

(xiii) all claims, counterclaims, Actions, rights, recoveries, refunds, rights of offset or other rights related primarily or exclusively to the SFI Acquired Assets or to the Assumed Liabilities with respect to Iowa or the Business located in Iowa, whether choate or inchoate, known or unknown, contingent or noncontingent;

(xiv) the goodwill of Seller Parties related to the SFI Acquired Assets; and

(xv) all of Seller Parties' telephone numbers and facsimile numbers used primarily or exclusively in connection with the SFI Acquired Assets; and

(xvi) the Records, in each case, related to the SFI Acquired Assets or the Business in Iowa (other than Records with respect to the Woodford Acquired Assets).

(b) Acquired Assets Purchased by SF. SF shall purchase from Seller Parties, and Seller Parties shall sell, transfer, assign, convey and deliver to SF, or cause to be sold, transferred, conveyed, assigned and delivered to SF, free and clear of all Indebtedness and Liens (other than Permitted Liens), all right, title and interest of Seller Parties in, to and under the following assets,

properties and rights (in each case, other than the SFI Acquired Assets, the Woodford Acquired Assets and the Excluded Assets) (collectively, the "SF Acquired Assets");

(i) all Improvements located on the real property owned by Seller Parties and comprising the CFF Sites located in Colorado;

(ii) all unweaned, suckling pigs owned by Seller Parties that are located at the CFF Sites located in Colorado at the Effective Time (collectively, the "Colorado Unweaned Pig Inventory" and, together with the Iowa Unweaned Pig Inventory, collectively, the "Unweaned Pig Inventory");

(iii) all sows, boars, gilts and breeding stock owned by Seller Parties that are located at the CFF Sites located in Colorado at the Effective Time, including all bred sows, gestating sows, unbred sows, cull sows, unbred gilts and boars at the CFF Sites located in Colorado at the Effective Time (collectively, together with the Colorado Unweaned Pig Inventory, the "Colorado Breeding Stock"), and all unborn piglets of the Colorado Breeding Stock;

(iv) all weaned pigs, feeder pigs and grow-finish pigs owned by Seller Parties that are located at the CFF Sites located in Colorado at the Effective Time (collectively, "Colorado Grow-Finish Inventory" and, together with the Colorado Breeding Stock, the "Colorado Swine Inventory");

(v) all feed and feed ingredients owned by a Seller Party that are located at the CFF Sites located in Colorado at the Effective Time (collectively, the "Colorado Feed Inventory" and, together with the Iowa Feed Inventory, collectively, the "Feed Inventory");

(vi) all inventories of animal health supplies and medications, including injectable and other treatments, liquid propane and farm supplies and materials (other than Feed Inventory) owned by a Seller Party that are located at the CFF Sites located in Colorado at the Effective Time (collectively, the "Colorado Other Inventory" and, together with the Iowa Other Inventory, collectively, the "Other Inventory");

(vii) the vehicles, trucks, trailers and other rolling stock owned or leased by Seller Parties set forth on Schedule 1.1(b)(vii) that are located in Colorado (collectively, the "Colorado Rolling Stock" and, together with the Iowa Rolling Stock, collectively, the "Rolling Stock");

(viii) all fixed assets, equipment, machinery, inventory, fixtures, furniture, computers and Software on the computers necessary to operate such hardware at the Facilities, tools, spare parts, supplies and other tangible personal property owned or leased by a Seller Party and not otherwise identified in Section 1.1(a), in each case, that is (A) located at the Facilities in Colorado, (B) identified in Schedule 1.1(b)(viii), or (C) used or held for use primarily or exclusively in connection with the Business located in Colorado (the "Colorado Tangible Personal Property");

(ix) all of Seller Parties' rights and incidents of interest in, to and under the Contracts (in each case, other than the Colorado Effluent Easements) set forth on Schedule 1.1(b)(ix), including effluent and manure spreading agreements and the lease Contracts related to the leased Colorado Rolling Stock (collectively, the "SF Acquired Contracts");

(x) all of Seller Parties' rights and incidents of interest in, to and under the easements set forth on Schedule 1.1(b)(x) (collectively, the "Colorado Effluent Easements");

(xi) to the extent assignable or transferable by Seller Parties, all Permits issued primarily or exclusively in connection with the operation of the Business in Colorado or the ownership, possession, occupancy or use of the Facilities located in Colorado, including the Permits identified in Schedule 1.1(b)(xi), and all pending applications for any such Permits (collectively, the "SF Acquired Permits");

(xii) all claims, counterclaims, Actions, rights, recoveries, refunds, rights of offset or other rights related primarily or exclusively to the SF Acquired Assets or to the Assumed Liabilities with respect to Colorado or the Business located in Colorado, whether choate or inchoate, known or unknown, contingent or noncontingent;

(xiii) the goodwill of Seller Parties related to the SF Acquired Assets, the Business in Colorado and the Business as a going concern in Colorado;

(xiv) all of Seller Parties' telephone numbers and facsimile numbers used primarily or exclusively in connection with the SF Acquired Assets; and

(xv) the Records, in each case, related to the SF Acquired Assets or the Business in Colorado.

(c) Acquired Assets Purchased by Woodford. Woodford shall purchase from Seller Parties, and Seller Parties shall sell, transfer, assign, convey and deliver to Woodford, or cause to be sold, transferred, conveyed, assigned and delivered to Woodford, free and clear of all Indebtedness and Liens (other than Permitted Liens), all right, title and interest of Seller Parties in, to and under the following assets, properties and rights (in each case, other than the SF Acquired Assets and the Excluded Assets) (collectively, the "Woodford Acquired Assets" and, together with the SF Acquired Assets, the "Acquired Assets"):

(i) the real property owned by Seller Parties and comprising the CFF Sites located in Iowa, as more specifically identified and described on Schedule 1.1(c)(i), together with all Improvements located thereon and all easements (other than the Effluent Easements), rights-of-way, water rights, oil, gas and mineral rights, wells, all other rights appurtenant thereto and all zoning rights, air rights and development rights, in each case, relating to the CFF Sites located in Iowa;

(ii) three parcels of bare land identified and described on Schedule 1.1(c)(ii) (the "Bare Land Property"), together with all Improvements located thereon and all easements, rights-of-way, water rights, oil, gas and mineral rights, wells, all other rights appurtenant thereto and all zoning rights, air rights and development rights, in each case, relating to the Bare Land Property;

(iii) all of Seller Parties' rights and incidents of interest in, to and under the Contracts (in each case, other than the Iowa Effluent Easements) set forth on Schedule 1.1(c)(iii), including effluent and manure spreading agreements (the "Woodford Acquired Contracts" and, together with the SFI Acquired Contracts and the SF Acquired Contracts, collectively, the "Acquired Contracts");

(iv) all of Seller Parties' rights and incidents of interest in, to and under the easements set forth on Schedule 1.1(c)(iv) (collectively, the "Iowa Effluent Easements" and, together with the Colorado Effluent Easements, collectively, the "Effluent Easements");

(v) to the extent assignable or transferable by Seller Parties, all Permits issued primarily or exclusively in connection with the ownership, operation, possession, occupancy or use of the CFF Sites located in Iowa, including the Permits identified in Schedule 1.1(c)(v), and all pending applications for any such Permits (collectively, the "Woodford Acquired Permits" and, together with the SFI Acquired Permits and the SF Acquired Permits, the "Acquired Permits");

(vi) all fixed assets, equipment, machinery, inventory, fixtures, furniture, computers and Software on the computers necessary to operate such hardware at the Facilities, tools, spare parts, supplies and other tangible personal property owned by a Seller Party and not otherwise identified in Section 1.1(a) or (b), in each case, that is (A) located at the CFF Sites in Iowa, (B) identified in Schedule 1.1(c)(vi), or (C) other than the Colorado Tangible Personal Property and the SFI Tangible Personal Property, used or held for use primarily or exclusively in connection with the Business and regardless of where located (collectively, the "Iowa Tangible Personal Property" and, together with the Feed Inventory, Other Inventory, Rolling Stock, SFI Tangible Personal Property and Colorado Tangible Personal Property, collectively, the "Tangible Personal Property");

(vii) the goodwill of Seller Parties related to the Woodford Acquired Assets, the Business in Iowa and the Business as a going concern in Iowa;

(viii) all of Seller Parties' telephone numbers and facsimile numbers used primarily or exclusively in connection with the Woodford Acquired Assets; and

(ix) the Records, in each case, related to the Woodford Acquired Assets.

1.2 Excluded Assets. Notwithstanding anything to the contrary in this Agreement, the following assets of Seller Parties (the "Excluded Assets") are not part of the sale and purchase contemplated hereby, are excluded from the Acquired Assets and shall be retained by Seller Parties and remain the property of Seller Parties following the Closing:

(a) all assets and property of Seller Parties unrelated or not used by or in connection with the Business;

(b) all vehicles, tractors, trailers and other rolling stock other than the Rolling Stock;

(c) cash, checks, money orders, marketable securities, short-term instruments and other cash equivalents, funds in time and demand deposits or similar accounts, and any evidence of indebtedness issued or guaranteed by any Governmental Authority;

(d) all notes, accounts receivable, trade credits or other receivables arising in connection with the Business prior to the Closing;

(e) all right, title and interest in and to any Intellectual Property (other than the Software included on the computers that are part of the Acquired Assets), including for the avoidance of doubt, all right, title and interest in and to the name "Christensen" or any trademark

or Internet domain name consisting of or containing the name "Christensen," any other trademarks or Internet domain names owned by Seller Parties;

(f) all Contracts, including the Packer Contracts, but excluding the Acquired Contracts and Effluent Easements (the "Excluded Contracts");

(g) all rights to receive refunds, credits and credit carry forwards with respect to any Taxes, in each case, to the extent attributable to a Pre-Closing Tax Period, including interest thereon, whether or not the foregoing is derived from the operation of the Acquired Assets;

(h) the corporate books and records of Seller Parties relating to the organization, maintenance, existence and good standing of Seller Parties as legal entities;

(i) to the extent related solely to a Retained Liability, any rights of each Seller Party against third parties related to or arising out of ownership of the Acquired Assets or operation of the Business prior to the Closing;

(j) all rights of each Seller Party under this Agreement and the Ancillary Agreements;

(k) all Employee Plans and all rights in connection with, and with respect to the assets associated with, any Employee Plan;

(l) subject to the requirements of Section 8.7, all rights of Seller Parties to any prepaid rentals, advance payments, deposits, advances and other prepaid items, including prepaid rent, purchase price and deposits with lessors, suppliers and utilities; and

(m) all Records other than the Records included in the Acquired Assets and those Records provided by Seller Parties in Seller Parties' electronic data room or located at the Facilities; and

(n) those assets of each Seller Party set forth on Schedule 1.2(n).

1.3 Assumed Liabilities. Subject to the terms and conditions of this Agreement and the Ancillary Agreements, Buyer Parties agree, at the Closing, to assume the Liabilities of Seller Parties arising under the Acquired Contracts, Effluent Easements and Acquired Assets to the extent relating to each Buyer Parties' respective ownership, management, control, operation or conduct of the Business or the Acquired Assets after the Closing Date and based on events or circumstances first occurring after the Closing Date, excluding Liabilities to the extent attributable to any breach of, default under or failure to perform the Acquired Contracts and Effluent Easements initiated, occurring or existing on or prior to the Closing Date or any Seller Parties' ownership, management, control, operation or conduct of the Acquired Assets on or prior to the Closing Date (collectively, the "Assumed Liabilities").

1.4 Retained Liabilities. Notwithstanding anything to the contrary in this Agreement, all Liabilities of each Seller Party, other than the Assumed Liabilities, are not part of the sale and purchase contemplated by this Agreement, shall be retained, paid, performed and discharged by Seller Parties and remain the sole responsibilities of Seller Parties following the Closing (the "Retained Liabilities"), including the following Liabilities:

(a) any Liability related to, or occurring or existing in connection with, or arising out of, the ownership or operation of the Business prior to the Closing;

(b) any Liability arising out of, in connection with or relating to any Indebtedness or Liens;

(c) any Liability arising from, in connection with or relating to (i) the breach of, default under or failure to perform any Contract, initiated, occurring or existing on or prior to the Closing Date or (ii) any Liability for payments or amounts due or other obligations that were required to be performed under any Contract, including the Acquired Contracts and Effluent Easements, on or prior to the Closing Date;

(d) any Liability arising from, in connection with or relating to any Excluded Asset;

(e) for a period of two years following the Closing Date, all Liabilities related to Environmental Laws or Environmental Conditions to the extent arising out of or relating to events or circumstances that occurred, existed or were initiated on or prior to the Closing Date, including those arising out of or otherwise related to (i) the ownership or operation of (A) the Owned Real Property or Leased Real Property (or any condition thereon) on or prior to the Closing Date or (B) the Business on or prior to the Closing Date, or (ii) the onsite or offsite transportation, storage, disposal, treatment or recycling of Hazardous Material generated by or taken onsite or offsite prior to and through the Closing Date, including, with respect to clauses (i) and (ii), (1) the Release or continuing Release of any Hazardous Material, regardless of by whom and (2) any noncompliance with or Liability under Environmental Laws;

(f) all Liabilities related to Environmental Laws or Environmental Conditions arising out of or otherwise related to the Excluded Assets or any other Real Property formerly owned, operated, licensed or otherwise used by each Seller Party, including (i) the Release or continuing Release of any Hazardous Material, regardless of by whom and (ii) any noncompliance with or Liability under Environmental Laws;

(g) all Liabilities for (i) Taxes of each Seller Party and their Affiliates, (ii) Taxes related to or imposed on the Acquired Assets or the Business for any Pre-Closing Tax Period, as determined under this Agreement, (iii) payments under any Tax allocation, sharing or similar arrangement (oral or written) between either Seller Party and any other Person (other than Buyer Parties), (iv) the Transfer Taxes described in Section 9.2 and (v) an obligation, if any, imposed under any bulk sale or transfer or fraudulent transfer Law of any jurisdiction, under any de facto merger Law, successor liability Law or any other Law or any similar Law applicable to the transactions contemplated hereby;

(h) any Liability arising out of, in connection with or relating to any Employee Plan, and any Liability for severance payments;

(i) any Liability of a Seller Party to any Affiliate of a Seller Party, including intercompany accounts and notes payable, and any Liability arising from or related to any Excluded Asset;

(j) any Liability of a Seller Party under this Agreement, the Ancillary Agreements or any other Contract between a Seller Party and a Buyer Party;

(k) any payment obligation for products, other goods or services provided to a Seller Party on or prior to the Closing Date;

(l) any Liability arising as a result of any Action (including, for the avoidance of doubt, any open workers' compensation claims against any Seller Party) initiated at any time or any action or omission by a Seller Party or any Affiliate of a Seller Party;

(m) any Liability for Selling Expenses;

(n) all trade accounts payable of each Seller Party;

(o) any Liability for any infringement, violation, misuse or misappropriation of the Intellectual Property owned, held or used by any Person other than a Seller Party arising on or prior to the Closing Date;

(p) any Liability to any current or former stockholder, optionholder, member, equity holder or debt holder of each Seller Party; and

(q) any Liabilities arising from or relating to an assignment or exchange in connection with the last sentence of Section 12.1.

1.5 Total Consideration.

(a) The aggregate cash consideration payable by SFI to the account of Seller Parties for the SFI Acquired Assets (including the Feed Mill and the Truck Washes) at the Closing (the "SFI Purchase Price") shall be an amount equal to the sum of (i) \$17,394,207, *plus* (iii) the value of the Iowa Swine Inventory, Iowa Feed Inventory, and Iowa Other Inventory at the Closing, as calculated, valued and sampled subject to and in accordance with Section 1.7 and Exhibit A.

(b) The aggregate cash consideration payable by SF to the account of Seller Parties for the SF Acquired Assets (the "SF Purchase Price") shall be an amount equal to the sum of (i) \$4,270,705, *plus* (ii) the value of the Colorado Swine Inventory, Colorado Feed Inventory, and Colorado Other Inventory at the Closing, as calculated, valued and sampled subject to and in accordance with Section 1.7 and Exhibit A.

(c) The cash consideration payable by Woodford to the account of Seller Parties for the Woodford Acquired Assets (the "Woodford Purchase Price") shall be an amount equal to \$75,761,875.

(d) The total consideration ("Total Consideration") payable by Buyer Parties to or for the account of Seller Parties in consideration for the Acquisitions and other transactions contemplated hereunder shall be an amount equal to the sum of the SFI Purchase Price, SF Purchase Price and Woodford Purchase Price, in each case, as adjusted, as applicable.

1.6 Payment. If the Swine Inventory count is not required to be determined by the Parties in accordance with Section 1.7(a)(iv), Buyer Parties shall pay the full Total Consideration at Closing, which shall be set forth in the Funds Flow Statement as mutually agreed to by Buyer Parties and Seller Parties. If the Swine Inventory count has not been determined by the Closing Date in accordance with Section 1.7, the portion of the Total Consideration Buyer Parties shall pay at Closing shall be equal to the total Woodford Purchase Price, *plus* \$17,394,207 from SFI, *plus* \$4,270,705 from SF; *plus* the consideration for the Feed Inventory and Other Inventory, in each case, as calculated in accordance with Exhibit A and with respect to the Feed Inventory located at the Feed Mill, the Feed Mill Inventory Report; *plus* the consideration for all undisputed categories of Swine Inventory as calculated in accordance with Exhibit A and the February 6th (or February 5th, as the case may be) Swine Inventory Report; *plus* an amount equal to ninety-seven

percent (97%), using the value methodology set forth on Exhibit A, of the value of the February 6th (or February 5th, as the case may be) Swine Inventory Report for any disputed category of Swine Inventory (subject to adjustments after the Closing Date in accordance with Section 1.7). Said amount shall be distributed at the Closing shall be set forth on, and distributed in accordance with, the Funds Flow Statement as follows: (a) an amount equal to the outstanding Indebtedness of Seller Parties for any of the Acquired Assets to be satisfied and discharged as of the Closing, if any, shall be set forth on, and delivered in accordance with, the Funds Flow Statement; (b) an amount equal to the unpaid Selling Expenses as of the Closing, if any, shall be set forth on, and delivered in accordance with, the Funds Flow Statement; and (c) an amount (the "Net Closing Cash Payment") equal to the difference of (i) the portion of the Total Consideration to be distributed at the Closing that remains after distribution of the amounts contemplated under (a) and (b), *minus* (ii) any amounts determined by the Parties to be deducted from the Total Consideration for unpaid salary, wages, bonuses or benefits, if applicable, in accordance with Section 8.6(b), which Net Closing Cash Payment shall be set forth on, and delivered to Seller Parties in accordance with, the Funds Flow Statement. Subject to Section 1.7, any inventory count disputes shall be resolved, and payment of any remaining amount of the Total Consideration shall be made, no later than five days after the Closing Date.

1.7 Valuation, Sampling and Adjustment Procedures. The purchase price set forth in Section 1.5 above for the values of Swine Inventory and Feed Inventory categories of Acquired Assets shall be determined and adjusted, as applicable, based on counts and qualities of such Acquired Assets in accordance with this Section 1.7 and Exhibit A:

(a) Swine Inventory.

(i) Seller Parties have provided to Buyer Parties a true and correct detailed inventory report of the Swine Inventory, by site, as of the close of business on January 22, 2016. Seller Parties will provide to Buyer Parties a true and correct updated detailed inventory report of the Swine Inventory, by site, as of the close of business on January 29, 2016 (or such other date that is approximately eight days prior to Closing). Each inventory report delivered pursuant to this Section 1.7 (a "Swine Inventory Report") will include separate counts for the Breeding Stock and Grow-Finish categories (consistent with the January 22, 2016 report).

(ii) Buyer Parties will select farm sites for inventory verification sampling counts that represent at least 10% of each category of the Swine Inventory reflected in the Swine Inventory Report. A list of such verification sites will be communicated by Buyer Parties to Seller Parties in advance of the date selected for inventory verification.

(iii) On January 30 and/or January 31, 2016, physical verification count teams, including representatives of each of Buyer Parties, Seller Parties, and either KPMG LLP or SF's internal audit division (each, a "Count Team") will visit the sites selected by Buyer Parties in accordance with Section 1.7(a)(ii) and will determine via the process further described below whether the quantities of each category of the Swine Inventory at each such site (excluding sick, unhealthy, out of condition and/or dead animals) is within a three percent (3%) margin of error of the corresponding category of the Swine Inventory at such site reflected on the updated Swine Inventory Report. The Parties acknowledge that such determinations shall be made based on arriving at a total count made by reasonably experienced farm workers based on the number of pens, pen capacities and occupancy at such site. The Count Team representatives of KPMG LLP or SF's internal audit division will be present for observation purposes only to determine that the inventory counts are accurate in accordance with the terms hereof.

(A) If the quantities of any category of the Swine Inventory at a site (excluding sick, unhealthy, out of condition and/or dead animals) are determined by a Count Team to be within a three percent (3%) margin of error of the corresponding category of the Swine Inventory at such site reflected on the updated Swine Inventory Report, no further count with respect to such site will be needed prior to Closing.

(B) If the Count Team has a reasonable concern that the quantities of any category of the Swine Inventory at a site (excluding sick, unhealthy, out of condition and/or dead animals) are outside a three percent (3%) margin of error of the corresponding category of the Swine Inventory at such site reflected on the updated Swine Inventory Report, the Count Team will conduct a full, physical inventory count of such category of the Swine Inventory at such site. If it is determined from this full, physical inventory count that the quantities of such category of the Swine Inventory at such site (excluding sick, unhealthy, out of condition and/or dead animals) is less or more than the corresponding amount on the updated Swine Inventory Report, the amount of such shortfall or windfall is referred to herein as a "Shortfall Amount" or "Windfall Amount" for such category of Swine Inventory.

(iv) After the Count Teams have completed their work at the selected sites, (A) if the sum of the Shortfall Amounts and Windfall Amounts for the applicable category of Swine Inventory is greater than an amount equal to one-half (1/2) of one percent (0.5%) of the total count for such category of the Swine Inventory reflected on the updated Swine Inventory Report with respect to such selected sites, or (B) if the Shortfall Amount for the applicable category of Swine Inventory at any site is greater than an amount equal to three percent (3%) of the amount of such category of the Swine Inventory at such site as reflected on the updated Swine Inventory Report; then, in either such case, the Parties shall cooperate in good faith to arrive at a mutually acceptable process for determining the Swine Inventory for purposes of Closing. If the Parties cannot agree to a mutually acceptable process for determining the Swine Inventory, the Parties may conduct a full, physical count of all Swine Inventory in the disputed category or categories at all sites. If there remain any disputed amounts with respect to the Swine Inventory at 12:01 p.m. Central Time on February 2, 2016, the Parties will engage Steve Weiss of Nutriquest, LLC to mediate a resolution of any such remaining disputed amounts between the Parties. The Parties shall mediate and reach resolution within five days following Closing unless otherwise extended by mutual agreement of the Parties.

(v) If the Swine Inventory count is not required to be determined by the Parties in accordance with Section 1.7(a)(iv), Seller Parties will deliver a true and correct Swine Inventory Report, generated from the same system and process used to generate the initial and updated Swine Inventory Reports, as of the close of business on February 6, 2016 (or on February 5, 2016 if agreed by the Parties), which will establish the Swine Inventory count for purposes of determining the value of the Colorado Swine Inventory and Iowa Swine Inventory included in the SF Purchase Price and SFI Purchase Price under Section 1.5.

(vi) If applicable, within five days after the Closing Date, Buyer Parties may notify Seller Parties that, in the judgment of Buyer Parties, the actual Swine Inventory count as of the Closing Date with respect to either category of Swine Inventory at any site is more than five percent (5%) above or below the count with respect to such category of

Swine Inventory at such site used by the Parties for purposes of Closing. Thereupon, the Parties shall cooperate in good faith to arrive at a mutually agreeable resolution of the possible shortfall at that site or any other site, which may include a possible payment by Seller Parties to Buyer Parties or payment by Buyer Parties to Seller Parties in an amount corresponding to any such shortfall or windfall. If the Parties cannot arrive at a mutually agreeable resolution after five days following the beginning of discussions on the possible shortfall or windfall at that site or any other site, the Parties will engage Steve Weiss of Nutriquest, LLC to mediate a resolution of any such remaining disputed amounts. Within three Business Days following the final determination of any shortfall or windfall amount under this subsection, Seller Parties (or Buyer Parties, as the case may be) shall pay such shortfall amount to Buyer Parties (or to Seller Parties, as the case may be), and such shortfall or windfall amount shall be deemed a purchase price adjustment.

(b) Feed Inventory. Seller Parties will take a physical inventory of the Feed Inventory at the Feed Mill as of the close of business on February 5 or 6, 2016, whichever date is the last day that the Feed Mill is in operation prior to the Closing Date, and generate an inventory report (the "Feed Mill Inventory Report"). Buyer Parties shall be present during the physical inventory and generation of the Feed Mill Inventory Report to confirm their accuracy. The Feed Mill Inventory Report shall be used for purposes of determining the value of that portion of the Iowa Feed Inventory located at the Feed Mill included in the SFI Purchase Price under Section 1.5.

1.8 1031 Exchange. The Acquisitions and the other transactions contemplated hereunder are intended to qualify as like kind exchanges and qualifying use within the meaning of Section 1031 of the Code and Seller Parties reserve the rights to assign their rights (but not their obligations) to a Qualified Intermediary as provided in Treas. Reg. 1.1031(k) – 1(g) on or before the Closing Date in accordance with Section 12.1. Buyer Parties shall incur no cost or charges, nor assume any responsibility regarding any such exchange. Seller Parties shall indemnify Buyer Parties of and from any liability or claim arising therefrom; which indemnification shall not be subject to the limitations set forth at Article 10.

1.9 Remittances, Erroneous Transfers.

(a) After the Closing, if a Seller Party (or any of its Affiliates) receives any amount that is properly due and owing to a Buyer Party in accordance with the terms of this Agreement, Seller Party shall promptly remit, or shall cause to be remitted, such amount by check to Buyer Parties at the address set forth in Section 12.6 or by wire transfer into an account or accounts of a Buyer Party or any Person that Buyer Parties designate in writing. After the Closing, if a Buyer Party (or any of its Affiliates) receives any amount that is properly due and owing to a Seller Party in accordance with the terms of this Agreement, such Buyer Party promptly shall remit, or shall cause to be remitted, such amount by check to the address set forth in Section 12.6 or by wire transfer into an account or accounts designated in writing by Seller Parties.

(b) After the Closing, if the Parties determine that (i) a Seller Party (or any Affiliate of a Seller Party) has retained any assets that are Acquired Assets and should have been transferred to a Buyer Party hereunder, such Seller Party shall promptly transfer, or cause to be transferred, such assets to such Buyer Party, or (ii) a Buyer Party (or any of its Affiliates) has received title to any assets that should have been retained by a Seller Party hereunder, such Buyer Party shall transfer, or cause to be transferred, promptly such assets to such Seller Party.

1.10 Post-Closing, Consents and Permit Transfers.

(a) To the extent a Consent to assignment is not obtained or taken at or prior to the Closing with respect to any Acquired Contract, (i) each Seller Party shall use its reasonable efforts to obtain or take such Consent following the Closing for such Acquired Contract; (ii) each Seller Party shall use reasonable efforts to provide to the applicable Buyer Party the benefits of such Acquired Contract or Effluent Easement (including the right to enforce for the benefit of such Buyer Party any and all rights of Seller Parties or any Affiliate of a Seller Party against any third party thereunder) for the remaining term of such Acquired Contract and (iii) subject to the foregoing limitations, each Seller Party shall cooperate with Buyer Parties in any lawful and contractually permitted arrangements acceptable to Buyer Parties that are designed to provide to Buyer Parties such benefits and obligations of the Acquired Contract for its term remaining as of the Closing Date. In connection with any such arrangements related to an Acquired Contract, Buyer Parties and Seller Parties (A) shall each abide by the terms and conditions set forth in such Acquired Contract, (B) subject to any arrangement contemplated by this Section 1.10, shall reimburse each other for payments made to or received from counterparties on behalf of each other pursuant to the terms of such Acquired Contract, (C) shall fully indemnify each other or their respective Affiliates for any Liabilities arising out of any failure by a Buyer Party or a Seller Party, as applicable, to abide by the terms and conditions of such Acquired Contract and (D) shall use reasonable efforts to ensure that Buyer Parties are put in the same economic position with respect to such Acquired Contract as if the relevant Consent had been obtained or taken as of the Closing. Notwithstanding the foregoing, in the event that any required Consent to the partial assignment of the Master Lease Agreement, dated July 26, 2012, and Equipment Schedule (Fixed) Schedule No. 8740349-029, dated August 8, 2014, is not obtained within 10 Business Days after the Closing Date, and with respect to any individual items of property subject to such Contracts which Seller Parties have not elected, in their sole discretion, to purchase prior to the Closing Date, Seller Parties shall purchase the remaining Leased Tangible Personal Property identified on Schedule 1.1(c)(vi) and Schedule 1.1(b)(viii) from the lessor, and Buyer Parties shall immediately thereafter purchase such property from Seller Parties for the lesser of cost or fair market value. Further, notwithstanding the foregoing, in the event that Seller Parties are unable to obtain a Consent to the assignment of Commercial Rental Agreement effective February 13, 2014, or Dwelling Unit Rental Agreement effective July 10, 2015, within thirty (30) days after Closing, said leases shall be deemed Excluded Assets, and neither Seller Parties nor Buyer Parties shall have any further obligation to assign or assume such Agreements. Once any such Consent is obtained or taken, such Acquired Contract shall be deemed assigned, transferred, conveyed and delivered in accordance with the Bill of Sale, and any executory Liabilities arising out of the performance of any obligation due thereunder to the extent such obligation arose after the date such Consent is obtained or taken shall be assumed in accordance with the Assignment and Assumption Agreement.

(b) Seller Parties make no representations or warranties as to the assignability or enforceability of the Effluent Easements. Upon Buyer Parties' request after Closing, Seller Parties shall take reasonable efforts to assist Buyer Parties in obtaining Consent to Seller Parties' assignment of particular Effluent Easements identified by Buyer Parties (but at no cost to any Seller Party).

(c) If there are any Permits held by a Seller Party or any Affiliate of a Seller Party necessary for the operations and conduct of the Business which have not been transferred to Buyer Parties as of the Closing because the transfer thereof is not permitted by Law or by the applicable Governmental Authority, or for any other reason, each Seller Party shall reasonably cooperate with Buyer Parties (but at no cost to any Seller Party) in securing such Permits for Buyer Parties. Buyer

Parties shall pay the cost of applying for any such Permits and the cost of obtaining the transfer of existing Permits and/or issuance of new Permits.

ARTICLE 2 CLOSING, DELIVERIES AND OTHER ACTIONS

2.1 Time and Place of the Closing. Subject to the terms and conditions of this Agreement, the consummation of the transactions contemplated by this Agreement (the "Closing") shall be deemed to take place at the offices of Gislason & Hunter, LLP, 2700 Broadway, New Ulm, Minnesota, and, with respect to the real property comprising the Facilities at the offices of Title Resources, LLC, 2700 Broadway, New Ulm, Minnesota (the "Title Company") at 10:00 a.m. Central time (a) on February 7, 2016, subject to the satisfaction or waiver of all conditions to the obligations of the Parties to consummate the transactions contemplated hereby (other than conditions with respect to actions the respective Parties will take at the Closing itself), (b) on the second business day following the satisfaction or waiver of all conditions to the obligations of the Parties to consummate the transactions contemplated hereby (other than conditions with respect to actions the respective Parties will take at the Closing itself), or (c) at such other time and place as agreed by the Parties, (the "Closing Date"). The Closing will be effective as of 12:01 a.m. Central time on the Closing Date (the "Effective Time"). Other than with respect to Real Property (regarding any recording and other requirements for closing at the Title Company) and to Tangible Personal Property subject to certificates of title that are included in the Acquired Assets, the Closing shall not be a physical Closing, but shall occur by delivery of facsimile signatures (including PDF signatures delivered via email) by all Persons on the Closing Date of each of the documents required to be delivered by such Party pursuant to the terms hereof, with the obligation to deliver original signatures or such documents by overnight delivery by the Parties or their respective legal representatives promptly as requested by the Parties. All acts, deliveries and confirmations comprising the Closing, regardless of chronological sequence, shall be deemed to occur contemporaneously and simultaneously on the Closing Date.

2.2 Deliveries by Seller Parties. At the Closing, Seller Parties, as applicable, shall deliver, or cause to be delivered, to Buyer Parties the following items:

(a) (in escrow with the Title Company pending the Closing) with respect to the Owned Real Property, special warranty deeds subject only to Permitted Liens (collectively, the "Deeds"), dated the Closing Date and duly executed by each Seller Party, as applicable, together with any required Transfer Taxes or Tax notifications required under applicable Law;

(b) a bill of sale, substantially in the form of Exhibit B hereto (the "Bill of Sale"), dated the Closing Date and duly executed by Seller Parties;

(c) an assignment and assumption agreement, substantially in the form of Exhibit C hereto (the "Assignment and Assumption Agreement"), dated the Closing Date and duly executed by Seller Parties;

(d) appropriate instruments of transfer for the Rolling Stock and other Acquired Assets subject to certificates of title, in form reasonably acceptable to Buyer Parties, dated the Closing Date and duly executed and endorsed by Seller Parties;

(e) a Transition Management Support and Services Agreement between Seller Parties and SF, substantially in the form of Exhibit D hereto, regarding certain management services to be provided by Seller Parties following the Closing Date (the "TMSA"), dated the Closing Date and duly executed by Seller Parties;

(f) with respect to the Effluent Easements, a master assignment of easements substantially in the form of Exhibit E attached hereto (the "Assignment of Easements"), or such other document related to the assignment of the Effluent Easements reasonably requested by Buyer Parties, in each case, dated the Closing Date and duly executed by Seller Parties;

(g) a certificate attesting to the satisfaction of the conditions set forth in Sections 6.1(a), (b), and (d) in form and substance reasonably satisfactory to Buyer Parties, dated as of the Closing Date and duly executed by an authorized officer or manager, or other appropriate authorized officer or representative, of each Seller Party;

(h) the FIRPTA Certificates, dated the Closing Date and duly executed by Seller Parties;

(i) payoff letters or Contracts, in form reasonably acceptable to Buyer Parties and the Title Company, (i) from each creditor with whom a Seller Party had any outstanding Indebtedness immediately prior to the Closing set forth on the Funds Flow Statement, (ii) from each creditor with whom a Seller Party had any outstanding Indebtedness (secured or collateralized by any Acquired Asset) immediately prior to the Closing, including all creditors set forth on the Funds Flow Statement, (iii) for all Selling Expenses that have not been paid as of immediately prior to the Closing, and (iv) from any Person releasing and terminating all Liens (other than Permitted Liens) in favor of any such Person on any of the Acquired Assets, in each case, executed by the applicable parties thereto;

(j) UCC-3 termination statements in recordable form with respect to any financing statements filed against any of the Acquired Assets, releasing and terminating all Liens (other than Permitted Liens) on any of the Acquired Assets, duly executed by the parties thereto;

(k) documentation, in form reasonably acceptable to Buyer Parties, evidencing receipt of all Consents set forth on Schedule 3.4;

(l) (in escrow with the Title Company pending the Closing) affidavits sufficient to cause the deletion of the standard exceptions to title in the title commitments relating to the Owned Real Property; and

(m) such other documents and instruments as Buyer Parties shall reasonably request to consummate the transactions contemplated hereby, including such other deeds, general conveyances, endorsements, bills of sale, assignments, and other good and sufficient instruments of sale, conveyance, assignment, transfer and delivery as Buyer Parties may reasonably request in order more effectively to vest in Buyer Parties all right, title and interest in and to the Acquired Assets, in each case, duly executed by Seller Parties.

2.3 Deliveries by Buyer Parties. At the Closing (or within one Business Day thereafter solely for purposes of Section 2.3(a) below), Buyer Parties shall deliver to Seller Parties (or such other Person, as applicable) the following items:

(a) the Net Closing Cash Payment;

(b) the Assignment and Assumption Agreement, duly executed by Buyer Parties;

(c) the TMSA, duly executed by Buyer Parties;

- (d) the Assignment of Easements, duly executed by Buyer Parties; and
- (e) a certificate attesting to the satisfaction of the conditions set forth in Sections 6.2(a) and (b) in form and substance reasonably satisfactory to Seller Parties, dated as of the Closing Date and duly executed by an authorized officer or other appropriate authorized officer or representative of each Buyer Party.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF SELLER PARTIES

Seller Parties, jointly and severally, represent and warrant to Buyer Parties as of the date hereof and the Closing Date as follows:

3.1 Existence and Good Standing; Organization. CFFI is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Minnesota. CFM is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Minnesota. Each Seller Party is duly authorized, qualified or licensed to do business as a foreign corporation, company or enterprise in the States of Iowa and Colorado.

3.2 Power. Seller Parties have the requisite power and authority to (a) own, hold, operate, license and lease their properties and assets as and where currently owned, held, operated, licensed and leased and (b) carry on the Business as currently conducted.

3.3 Authority, Validity, Effect and No Conflict.

(a) Each Seller Party has all requisite authority and full legal capacity to enter into and perform its obligations under this Agreement and the Ancillary Agreements to which it is or is to be a party and to consummate the transactions contemplated hereby and thereby. This Agreement has been, and at the Closing each Ancillary Agreement to which it is or is to be a party will be, duly executed and delivered by each Seller Party pursuant to all necessary authorization and is, or at Closing will be, the legal, valid and binding obligation of each Seller Party, enforceable against such Seller Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, fraudulent conveyance and other similar Laws and principles of equity affecting creditors' rights and remedies generally (the "General Enforceability Exceptions").

(b) Neither the execution of this Agreement or the Ancillary Agreements, nor the performance by each Seller Party of its respective obligations hereunder or thereunder shall (i) violate or conflict with its articles of incorporation or articles of organization, as applicable, or its bylaws or operating agreement, as applicable, in each case as amended to date and in full force and effect on the Closing Date or with any Law, Permit or Order, (ii) violate, conflict with or result in a breach or termination of, or otherwise give any Person additional rights or compensation under, or the right to terminate or accelerate, or constitute (with notice or lapse of time, or both) a default under the terms of any Contract to which any Seller Party is a party or by which any of its assets or properties are bound or (iii) result in the creation or imposition of any Lien (other than a Permitted Lien) with respect to, or otherwise have a Material Adverse Effect upon, the Acquired Assets or any other assets used in or necessary to the conduct or operation of the Business.

3.4 Consents. Except as set forth on Schedule 3.4 and any pre-acquisition notification or Consent requirements under the HSR Act, no Consent is required in connection with the execution and delivery by any Seller Party of this Agreement or the Ancillary Agreements or the consummation of the

transactions contemplated hereby or thereby, including any Consents required under any of the Acquired Contracts.

3.5 Subsidiaries. Except as set forth on Schedule 3.5, no Seller Party currently has, or has had, any Subsidiaries through which the Business is or has been conducted.

3.6 Property.

(a) Title. Seller Parties (i) are in lawful possession of and (ii)(A) have good, marketable and valid fee simple title to, (B) have good, valid and marketable title to, (C) have valid and enforceable leasehold interests in, or (D) have valid and enforceable licenses or rights to use, as the case may be, all of the Acquired Assets (real or personal, tangible or intangible or mixed, including any Real Property and Tangible Personal Property), and all of the Acquired Assets and all other assets and properties of either Seller Party are free and clear of any Liens, other than Permitted Liens.

(b) Real Property.

(i) Schedule 3.6(b)(i) sets forth all real property owned by Seller Parties and primarily or exclusively used in connection with the Business (collectively, the "Owned Real Property"). Except as set forth on Schedule 3.6(b)(i), Seller Parties have not leased or granted to any Person the right to possess or use any portion of the Owned Real Property or granted any unrecorded options, rights of first offer or rights of first refusal to purchase any of the Owned Real Property.

(ii) Schedule 3.6(b)(ii) sets forth a true and complete description of all Real Property currently leased, licensed to or otherwise used or occupied (but not owned) by any Seller Party and primarily or exclusively used in connection with the Business (the Real Property required to be listed on Schedule 3.6(b)(ii), collectively, the "Leased Real Property") including, for each tract of Leased Real Property, the owner, the address, the annual fixed rental, the expiration of the term, any extension options and any security deposits. Except as set forth on Schedule 3.6(b)(ii), no Seller Party leases any Real Property or any interest in any Real Property used primarily or exclusively in connection with the Business. All of the Leased Real Property is used or occupied by a Seller Party pursuant to a written or oral lease, License or occupancy Contract, (collectively with all amendments, extensions, renewals, guaranties and other agreements with respect thereto, the "Real Property Leases"). A true and correct copy of each written Real Property Lease and a true and correct written description of the terms of each oral Real Property Lease, in each case, with respect to the Leased Real Property required to be listed on Schedule 3.6(b)(ii), has been delivered to Buyer Parties. Each Real Property Lease is valid, binding and enforceable in accordance with its terms and is in full force and effect, subject to the General Enforceability Exceptions. With respect to each Real Property Lease, except as set forth on Schedule 3.6(b)(ii), (A) there are no existing defaults or facts or circumstances requiring a Seller Party to indemnify any other Person thereunder, (B) no event has occurred which (with notice, lapse of time or both) could reasonably be expected to constitute a breach or default by a Seller Party or, to the Knowledge of Seller Parties, any other party, to require a Seller Party to indemnify any other Person thereunder or to give Seller Parties or, to the Knowledge of Seller Parties, any other party the right to terminate, accelerate or modify any such Real Property Lease, (C) no Seller Party has subleased or assigned to any Person the right to possess or use any portion of the Leased Real Property or any interest in the Real Property Leases, and (D) the transactions contemplated by this

Agreement do not require the consent of any other party to such Real Property Lease, will not result in a breach or default under such Real Property Lease, and will not otherwise cause such Real Property Lease to cease to be valid, binding, enforceable and in full force and effect on identical terms following the Closing. Except as set forth on Schedule 3.6(b)(ii), no Affiliate of a Seller Party is the owner or lessor of any Leased Real Property. Neither Seller Party has granted to any Person the right to use or occupy, and no third party is in possession of, the Leased Real Property or any portion thereof. Other than the Owned Real Property, the Leased Real Property comprises all of the Real Property used primarily or exclusively in the Business, and no Seller Party is a party to any Contract to purchase or lease any Real Property or interest therein other than as provided in the Real Property Leases.

(iii) There are no conditions on any parcel of the Real Property that (A) would be revealed by a current and accurate survey of such parcel of the Real Property, and (B) have or could have a material adverse effect on the Business or such parcel of the Real Property.

(c) Tangible Personal Property. Schedules 1.1(b)(viii) and 1.1(c)(vi) set forth a true and complete list, by category, of all material Tangible Personal Property, and also set forth a true and complete list of any other material tangible personal property that is leased by a Seller Party pursuant to a Contract, in each case, used primarily or exclusively in connection with the Business. Each Seller Party owns, or has a valid leasehold interest in, and is in possession of all of its respective Tangible Personal Property or such other tangible personal property listed on Schedules 1.1(b)(viii) and 1.1(c)(vi).

(d) Absence of Violations and Claims. Seller Parties have not received any written notice that any of the Owned Real Property, the Leased Real Property, or the leasing (as applicable), occupancy or use of the Owned Real Property or the Leased Real Property or operation of the Business thereon, are in violation of any Laws or Permits, including the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.) or building, zoning and other ordinances, codes, rules and regulations.

(e) Condition of Property and Assets. There are no material defects in or damage to, the Owned Real Property or Leased Real Property (or Improvements thereon) or the Tangible Personal Property. To the Knowledge of Seller Parties, the mechanical, electrical, plumbing and other systems serving the Owned Real Property and the Leased Real Property are, in all material respects, in good working condition (ordinary wear and tear and Seller Parties' normal maintenance and replacement schedule excepted). Except as set forth in the previous sentence, the Tangible Personal Property, the Owned Real Property, the Leased Real Property, the Improvements and the other tangible assets included in the Acquired Assets are, in all material respects, in good condition, good working order and in a state of good maintenance and repair relative to customary standards in the industries in which the Business is conducted (ordinary wear and tear excepted).

3.7 Litigation. Except as set forth on Schedule 3.7, as it relates to the Business or the Acquired Assets, no Seller Party is currently, or has been, (a) subject to any continuing or unsatisfied Order, or (b) a party to or, to the Knowledge of Seller Parties, threatened to be made a party to any Action. Except as set forth on Schedule 3.7, there are no Actions pending or, to the Knowledge of Seller Parties, threatened or Orders outstanding against Seller Parties that call into question the validity of this Agreement, the Ancillary Agreements or any of the transactions contemplated hereby or thereby. Except as set forth on Schedule 3.7, to the Knowledge of Seller Parties, no event has occurred or circumstances exist that could reasonably

be expected to give rise to or serve as a basis for the commencement of any Action of the type described in this Section 3.7.

3.8 Compliance with Laws. Except as set forth on Schedule 3.8:

(a) Each Seller Party is complying, and has complied at all times, in all material respects, with each applicable Law relating to the Acquired Assets, the Business or its operations.

(b) Without limiting the generality of the foregoing, as it relates to the Business or the Acquired Assets, no Seller Party nor any of a Seller Party's directors, officers, managers, members or employees nor, to the Knowledge of Seller Parties, any of a Seller Party's agents, brokers, representatives or consultants, acting on a Seller Party's behalf, has made, directly or indirectly, any unlawful contribution, gift, bribe, forgiveness of all or part of a debt, payoff, kickback or other unlawful payment or promise to or at the direction of any Government Official, customer or supplier in violation of any Law.

3.9 Operation of the Business; Sufficiency of Assets. Except as set forth in detail on Schedule 3.9, Seller Parties are the only entities through which the Business is or, for the past three years, has been conducted. Except for the Excluded Assets and as otherwise set forth on Schedule 3.9, the Acquired Assets constitute all of the assets and properties (a) that are used primarily or exclusively in the Business and (b) that are necessary, adequate and sufficient to conduct and operate the Business in the Ordinary Course. The Real Property included in the Acquired Assets, subject to any Permitted Lien, together with easements and effluent spreading agreements included in the Acquired Contracts and the Effluent Easements, constitute sufficient land in order to spread effluent from the operations of the CFF Sites as required under applicable Laws. Seller Parties have the right to utilize water in accordance with valid water appropriation permits in such amounts as is necessary to operate the Business in the Ordinary Course.

3.10 Absence of Changes. Since November 13, 2015, the Business and operations of Seller Parties with respect to the Acquired Assets have been conducted in the Ordinary Course and there has not been any Material Adverse Effect in the operation of the Business or the performance or financial condition of either Seller Party related to the Business, except as set forth on Schedule 3.10.

3.11 Labor Matters. Except as set forth on Schedule 3.11:

(a) Neither Seller Party is a party to or bound by any collective bargaining agreement or similar Contract, related to the Business or the Business Employees, with any labor organization, or work rules or practices agreed to with any labor organization and, to the Knowledge of Seller Parties, no union or labor organization claims to represent any employees of either Seller Party. No Actions for unfair labor practices or violations of labor or employment Laws are pending or, to the Knowledge of Seller Parties, have been threatened, against either Seller Party related to the Business or the Business Employees. As it relates to the Business or the Business Employees, there are no grievances or arbitration proceedings against either Seller Party pending under any collective bargaining agreement or other labor Contract.

(b) To the Knowledge of Seller Parties, all current employees of either Seller Party related to the Business are legally authorized to work in the U.S.

(c) Neither Seller Party is delinquent in payments which are due and payable under any applicable Law to any employees of a Seller Party related to the Business for any wages, salaries, commissions, bonuses, vacation, sick leave, other paid time off, severance pay or other compensation for any services performed by them to the Closing Date.

(d) Schedule 3.11(d) sets forth a list, in tabular format, of all current employees and independent contractors (including sales representatives) of each Seller Party primarily working for or in connection with the Facilities and/or Contract Producer Sites and their respective titles, compensation and designation as either exempt or non-exempt from the overtime requirements of the FLSA. Seller Parties have provided to Buyer Parties on or prior to the Closing the rate of all regular and special compensation and commissions payable to each such Person in any and all capacities and any regular or special compensation or commissions that shall be payable to each such Person in any and all capacities as of the Closing Date other than the then current accrual of regular payroll compensation, and such information is true, correct and complete. To the Knowledge of Seller Parties, no employee, independent contractor or sales broker or representative of a Seller Party intends to terminate his or her employment relationship or engagement with such Seller Party with respect to the Business or the Acquired Assets.

(e) Except as set forth on Schedule 3.11(e), as it relates to the Business, neither Seller Party is a government contractor subject to equal employment opportunity or affirmative action obligations under any Law or otherwise covered by any federal executive orders applicable to government contractors.

(f) As it relates to the Business and the Acquired Assets, each Seller Party (i) is, and has been at all times, in compliance, in all material respects, with all applicable Laws respecting labor, employment, immigration, fair employment practices, terms and conditions of employment, workers' compensation, occupational safety, plant closings, compensation and benefits, and wages and hours and (ii) has no direct or indirect Liability with respect to (A) to the Knowledge of Seller Parties, any misclassification of any individual as an independent contractor rather than as an employee of a Seller Party, (B) to the Knowledge of Seller Parties, with respect to any employee leased from another employer, or (C) any misclassification of any employee as exempt versus non-exempt under the FLSA.

3.12 Employee Plans.

(a) Schedule 3.12(a) sets forth a complete list, with respect to each Seller Party and as it relates to the Business or any Person set forth on Schedule 3.11(d), of (i) all "employee benefit plans," as defined in Section 3(3) of ERISA; (ii) all other employee benefit arrangements, funds, programs, Contracts, plans and practices, including all severance pay, salary continuation, bonus, incentive, stock or other equity option, retirement, pension, change in control, fringe benefits, profit sharing or other compensation plans, including deferred compensation plans, contracts, programs, funds or arrangements of any kind; and (iii) all other employee benefits plans, contracts, programs, funds or arrangements (whether written or oral, qualified or nonqualified, funded or unfunded, foreign or domestic, currently effective or terminated) and any trust, escrow or similar Contract related thereto, whether or not funded, in respect of any present or former employees, managers, directors, officers, equity holders, consultants, or independent contractors of each Seller Party that are, or have been, sponsored, maintained, contributed to, or required to be contributed to by a Seller Party or any Affiliate of a Seller Party within the meaning of Section 414(b), (c), (m), or (o) of the Code ("ERISA Affiliate") or with respect to which a Seller Party or any ERISA Affiliate has or may have any Liability, an "Employee Plan," and collectively, "Employee Plans"). Neither Seller Party has Liability with respect to any plan, arrangement, Contract, program or practice of the type described in the preceding sentence other than the Employee Plans.

(b) True and complete copies have been delivered or made available to Buyer Parties of the current plan documents for each Employee Plan or, in the case of an unwritten Employee Plan, a written description thereof.

(c) Each Employee Plan has been maintained, operated, and administered in material compliance with its terms and any related documents or Contracts and in material compliance with all applicable Laws including all applicable requirements of ERISA and the Code.

(d) As it relates to the Business or the Business Employees, neither Seller Party nor any ERISA Affiliate currently has, or has had at any time, an obligation to contribute to (i) a "defined benefit plan" as defined in Section 3(35) of ERISA, (ii) a pension plan subject to the funding standards of Section 302 of ERISA or Section 412 of the Code, (iii) a "multiemployer plan" as defined in Section 3(37) of ERISA or Section 414(f) of the Code or (iv) a "multiple employer plan" within the meaning of Section 210(a) of ERISA or Section 413(c) of the Code.

(e) No Employee Plan promises or provides retiree medical, health or life insurance or other retiree welfare benefits to any Person, except as may be required by the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), or other applicable Law, and there has been no communication (whether oral or written) to any Person that would reasonably be expected to promise or guarantee any such retiree medical, health or life insurance or other retiree welfare benefits, except to the extent required by COBRA or other applicable Law.

(f) No Employee Plan is under audit or is the subject of an investigation by the Internal Revenue Service, the U.S. Department of Labor, the Pension Benefit Guaranty Corporation, the Securities and Exchange Commission or any other Governmental Authority, nor is any such audit or investigation pending or, to the Knowledge of Seller Parties, threatened.

3.13 Environmental and Safety. Except as set forth on Schedule 3.13, as it relates to Business or any of the Acquired Assets:

(a) Each Seller Party, its respective Business and related onsite and offsite operations, and the Owned Real Property or the Leased Real Property are each, and, to the Knowledge of Seller Parties, each have been at all times, in compliance, in all material respects, with all Environmental Laws and Permits. To the Knowledge of Seller Parties, there exist no Environmental Conditions that require reporting, cleanup, remediation or any other type of response action or that could be the basis for any material Liability of any kind, and no facts, circumstances or conditions currently exist that could adversely affect such continued compliance with Environmental Laws or require currently unbudgeted capital expenditures to achieve or maintain such continued compliance with Environmental Laws.

(b) Seller Parties, with respect to the Business, are in possession of, and in material compliance with, all Permits which are required to operate the Business pursuant to applicable Environmental Laws and in the capacity represented to Buyer Parties, and all of such Permits are valid and in good standing. Seller Parties have timely filed in the Ordinary Course applications for renewal of all such Permits to allow the Business to operate as of the Closing in the Ordinary Course.

(c) Except in the Ordinary Course and except as would not reasonably be expected to result in a Seller Party incurring material Liability under any Environmental Law, during Seller Parties' ownership and operation of the Facilities and, to the Knowledge of Seller Parties, prior to the ownership and operation of the Facilities, no Hazardous Materials have been used, generated, extracted, mined, beneficiated, manufactured, stored, treated, disposed of, spilled or in any other way Released (and no Release is threatened), on, under or about any of the Owned Real Property or the Leased Real Property, or transferred or transported to or from any of the Owned Real Property or the Leased Real Property, and no Hazardous Materials have been generated,

manufactured, stored, treated or disposed of, or in any other way Released (and no Release is threatened), on, under, about or, to the Knowledge of Seller Parties, from any property adjacent to any of the Owned Real Property or the Leased Real Property. All of Seller Parties' and their respective Affiliates', and, to the Knowledge of Seller Parties, each of their respective contractors', past disposal practices relating to Hazardous Materials and hog effluent have been accomplished in accordance with all applicable Laws.

(d) No claim has been made or, to the Knowledge of Seller Parties, threatened against a Seller Party, alleging, with respect to the Business, that a Seller Party may be in violation, in any material respect, of any Environmental Law or may have any material Liability under any Environmental Law.

(e) No facts, circumstances or conditions exist with respect to the Business or any Owned Real Property or Leased Real Property or any property to which a Seller Party arranged for the storage, Release or treatment of Hazardous Materials or the application of hog effluent that could reasonably be expected to result in the Business incurring material Liability under Environmental Laws.

(f) Each Seller Party is, and has been at all times, in compliance, in all material respects, with respect to the requirements for licensing, registration, labeling and the safe handling, use, storage, transportation and disposal of all products and inventory, including furnishing any required information, such as product literature, research studies, test data, and Material Safety Data Sheets or Safety Data Sheets, to all of its employees, customers, brokers and relevant Governmental Authorities.

(g) No Seller Party, in connection with the Business or the Owned Real Property or the Leased Real Property, has ever (i) entered into or been subject to any Consent or Order with respect to any Environmental Law or Environmental Condition, (ii) received notice under the citizen suit provisions of any Environmental Law, (iii) received any request for information, notice, demand letter, administrative inquiry or formal or informal complaint or claim with respect to any Environmental Condition, or (iv) been subject to or, to the Knowledge of Seller Parties, threatened with any Action with respect to any Environmental Law or any Environmental Condition.

(h) No employee or independent contractor of a Seller Party has suffered any injury or exposure to Hazardous Materials while working in connection with the Business or the Owned Real Property or the Leased Real Property that has resulted in a claim or has otherwise resulted in such Person being unable to perform his or her job duties.

(i) Seller Parties have made available to Buyer Parties copies of all documents, records and information in their possession or control concerning Environmental Conditions or generated pursuant to any Environmental Law as those may relate to the Business or the Acquired Assets.

(j) Other than the facilities and systems (and related lagoons, tanks and septic systems) used in the daily operation of the Business that are required for handling animal waste and hog effluent in the Ordinary Course and in material compliance with applicable Environmental Laws, there are no impoundments, treatment or disposal areas, or underground tanks, pits or sumps and related pipes, pumps and other facilities regardless of their use or purpose, whether active or, to the Knowledge of Seller Parties, abandoned, at the Owned Real Property or the Leased Real Property, and no Seller Party has any obligation under the Real Property Leases to investigate, identify, maintain, repair, clean, remediate, upgrade or remove any such facilities.

(k) To the Knowledge of Seller Parties, there is no asbestos nor any asbestos-containing materials used in, applied to or in any way incorporated in any building, structure or other form of improvement on the Owned Real Property or the Leased Real Property, and no Seller Party has any obligation under the Real Property Leases to investigate, identify, maintain, remediate or remove any asbestos-containing materials.

(l) There have been no warnings, notices of violation, nuisance claims or other events related to odors or air emissions that are not in compliance with applicable Environmental Laws.

(m) There are no subsurface Releases or sources of Hazardous Materials, including petroleum and chemical contamination, that could cause vapor intrusion into buildings on the Owned Real Property or the Leased Real Property or on adjoining off-site properties.

(n) No Seller Party has sold, used, installed, generated, or disposed any asbestos-containing materials, products or wastes.

(o) Neither the Owned Real Property nor the Leased Real Property is subject to environmental Liens or activity use limitations such as engineering controls or institutional controls which could restrict the future use of the Owned Real Property or the Leased Real Property.

3.14 Contracts.

(a) Other than the Acquired Contracts, the Effluent Easements, and the Packer Contracts, Schedule 3.14 sets forth all of the following Contracts primarily or exclusively used in or with respect to the Business to which a Seller Party is currently a party or to which any of the Acquired Assets are currently bound (any Contracts listed or required to be listed on Schedule 3.14, together with the Acquired Contracts, the "Material Contracts"):

(i) governing the borrowing of money or the Guarantee or the repayment of Indebtedness of a Seller Party or granting of Liens on any property or asset of a Seller Party (including any such contract under which a Seller Party has incurred any Indebtedness);

(ii) relating to employment, consulting services, severance, termination or similar Contracts or containing change-in-control or similar payments;

(iii) granting to any Person a first refusal, first offer or similar preferential right to purchase or acquire any interest in, or right, asset or property of, a Seller Party;

(iv) involving a sales representative, agent, broker, franchise or advertising arrangement or otherwise relating to the provision of the services of the Business and involving aggregate consideration in excess of \$50,000;

(v) involving obligations or any Liability whatsoever to make any payments by way of material royalties, fees or otherwise in excess of \$50,000;

(vi) providing for the purchase, maintenance or acquisition, storage or handling, or the sale or furnishing or providing of, materials, supplies, merchandise, inventory, equipment or services under which there are continuing obligations for any party thereto and involving aggregate consideration in excess of \$50,000;

(vii) providing for the purchase, acquisition, lease or license of any Tangible Personal Property and involving aggregate consideration in excess of \$50,000;

(viii) that are not cancellable by a Seller Party without penalty upon notice of 30 days or less (A) pertaining to the lease of equipment or other personal property, (B) involving management services, consulting services, independent contractor agreements, support services or any other similar services, or (C) providing for a term of greater than 12 months;

(ix) that purport to be binding on any Affiliate of a Seller Party or a Buyer Party;

(x) that are Government Contracts or settlement agreements with a Governmental Authority;

(xi) that provide any customer with pricing, discounts or benefits that change based on the pricing, discounts or benefits offered to other customers or by other suppliers to such customer, including Contracts containing "most favored nation," "most favored customer" or similar provisions, or other provisions restricting the right to sell or license products or services in any manner, or that include rebates, refunds or volume discounts or similar provisions with respect to pricing; and

(xii) any other material Contract.

(b) Seller Parties have provided to Buyer Parties true and complete copies of each Material Contract (including each supplement, amendment or modification thereto), as amended to date. Each Material Contract is valid, binding and enforceable against all parties thereto in accordance with its terms, subject to the General Enforceability Exceptions. Except as otherwise set forth in Schedule 3.14, with respect to the Material Contracts: (i) no Seller Party or, to the Knowledge of Seller Parties, any other party thereto is in default under or in violation thereof; (ii) no event has occurred which, with notice or lapse of time or both, would constitute such a default or violation thereunder by Seller Parties or, to the Knowledge of Seller Parties, any other party; and (iii) no Seller Party has released any of its rights thereunder. Except as otherwise set forth in Schedule 3.14, no Seller Party has received any written notice from another party to a Material Contract indicating such party's intention to terminate, repudiate or disclaim such Material Contract.

3.15 Permits. Schedule 1.1(a)(xi) contains a list of all material Permits which are required for the operation of the Business as presently conducted. Each Seller Party currently has all material Permits which are required for the operation of the Business as presently conducted. No Seller Party is in default or violation (and no event has occurred which, with notice or the lapse of time or both, would constitute a default or violation) in any material respect of any term, condition or provision of any Permit to which it is a party and, to the Knowledge of Seller Parties, there are no facts or circumstances which could form the basis for any such default or violation.

3.16 Intellectual Property.

(a) Excluding commercially available off-the-shelf, shrink wrap or click wrap Software used by a Seller Party, in each case, with an annual license fee of \$5,000 or less, Schedule 3.16(a) sets forth an accurate and complete list of (i) all registered Intellectual Property that is primarily or exclusively used in or with respect to the Business, (ii) all unregistered Intellectual Property that is material to and that is primarily or exclusively used in or with respect to the Business, (iii) all Intellectual Property that is primarily or exclusively used in or with respect to the Business for which an application for registration is currently pending, and (iv) all Contracts to use

Intellectual Property that is owned, held or used by a Seller Party primarily or exclusively in or with respect to the Business.

(b) Each Seller Party has taken commercially reasonable precautions to keep confidential all Confidential Information and trade secrets owned, held or used by it.

3.17 Insurance. Schedule 3.17 sets forth a true and complete list and brief description of all policies of, and binders evidencing insurance owned or maintained by a Seller Party related to the Acquired Assets or the Business, or, in the case of the Owned Real Property, an Affiliate, as applicable. Such policies are in full force and effect, and no Seller Party or Affiliate, as applicable, is in default thereunder. No notice of cancellation or termination or non-renewal has been received with respect to any such policy. No Seller Party has been refused any insurance related to the Business, nor, to the Knowledge of Seller Parties, has coverage been limited by any insurance carrier to which a Seller Party has applied for insurance or with which a Seller Party has carried insurance.

3.18 Financial Statements.

(a) The financial data for the Business as of December 31, 2015, set forth in the electronic file with the file name "Due Diligence File 12 31 15 SBF xlsx Revised.xlsx" (the "Financials") in Seller Parties' electronic data room are true and correct and present fairly the financial position of the Business.

(b) The Financials were derived from the books and records of Seller Parties.

3.19 Taxes. Except as set forth on Schedule 3.19:

(a) All Tax Returns required to be filed with any Taxing Authority by the appropriate Seller Party on or before the Closing Date with respect to the Business or any Acquired Asset (i) have been timely and properly filed and (ii) are true, correct and complete, in all material respects. All Taxes (whether or not shown as due and payable on any such Tax Return) with respect to the Business and the Acquired Assets have been timely paid or withheld and will be remitted to the appropriate Taxing Authority on or before the due date thereof.

(b) No deficiencies for Taxes or other assessments relating to Taxes have been claimed, threatened, proposed or assessed with respect to the Acquired Assets or the Business. There is no audit by a Taxing Authority or Action now pending or threatened in respect of any Tax levied against a Seller Party relating to the Acquired Assets or the Business.

(c) None of the Acquired Assets is subject to a "safe harbor lease" under Section 168(f)(8) of the Code or "tax exempt bond financed property" under Section 168(g)(5) of the Code.

(d) No Seller Party is or has ever been a party to any "listed transaction," as defined in Section 6707A(c)(2) of the Code and Treasury Regulation Section 1.6011-4(b)(2).

3.20 Inventory. All Inventory included in the Acquired Assets is of a quality and quantity (according to Seller Parties' normal stocking practices) that is merchantable, useable and saleable, as applicable, in the Ordinary Course, subject to the removal of obsolete or out of condition Inventory (such as feed and medication) in the Ordinary Course, and subject to culling of sick, unhealthy, out of condition and/or dead animals in the Ordinary Course.

3.21 Records. The Records included in the Acquired Assets are true, complete and correct in all material respects and Seller Parties have made available to Buyer Parties for examination the originals or true and correct copies of all documents and materials related to the Business, together with all other documents and materials reasonably requested by Buyer Parties in connection with the transactions contemplated by this Agreement.

3.22 Brokers. No Person has acted directly or indirectly as a broker, finder or financial advisor for any Seller Party or any of their Affiliates in connection with the negotiations relating to the transactions contemplated by this Agreement for which any Buyer Party or any of their respective Affiliates shall become obligated to pay a fee, commission or other compensation.

3.23 Solvency. Each Seller Party is Solvent and shall be Solvent upon consummation of the transactions contemplated hereby.

3.24 No Further Representations. Except for the representations and warranties contained in this Article 3, Buyer Parties are accepting the Acquired Assets "as-is," "where is" and no Seller Party makes any other express or implied representations or warranties with respect to any Seller Party, and Seller Parties disclaim any other representations and warranties.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF BUYER PARTIES

Each Buyer Party hereby represents and warrants, severally but not jointly, to Seller Parties as of the date hereof and the Closing Date as follows:

4.1 Existence and Good Standing. SFI is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware. SF is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Oklahoma. Woodford is a limited liability partnership duly formed, validly existing and in good standing under the laws of the State of Iowa.

4.2 Authority, Validity, Effect and No Conflict.

(b) Each Buyer Party has all requisite authority and full legal capacity to enter into and perform its obligations under this Agreement and any Ancillary Agreement to which it is or is to be a party and to consummate the transactions contemplated hereby and thereby. This Agreement has been, and at the Closing each Ancillary Agreements to which it is or is to be a party will be, duly executed and delivered by each Buyer Party pursuant to all necessary authorizations and is, or at Closing will be, the legal, valid and binding obligation of such Buyer Party, enforceable against such Buyer Party in accordance with their respective terms, subject to the General Enforceability Exceptions.

(c) Neither the execution of this Agreement or the Ancillary Agreements, nor the performance by each Buyer Party of its obligations hereunder or thereunder shall violate or conflict with such Buyer Party's organizational documents or any Law, Permit or Order or any Contract to which it is a party or by which it may be bound.

4.3 Consents. Except for any pre-acquisition notification or Consent requirements under the HSR Act, no Consent is required in connection with the execution and delivery by a Buyer Party of this Agreement or the Ancillary Agreements or the consummation of the transactions contemplated hereby or thereby.

4.4 Brokers. No Person has acted directly or indirectly as a broker, finder or financial advisor for any Buyer Party in connection with the negotiations relating to the transactions contemplated by this Agreement for which any Seller Party shall become obligated to pay a fee, commission or other compensation.

4.5 Financing. Each Buyer Party has, and on the Closing Date will have, sufficient funds available to them (without the need to obtain any additional bank or other additional third party financing commitment) to pay the SFI Purchase Price, the SF Purchase Price and the Woodford Purchase Price, as applicable, to Seller Parties at the Closing.

4.6 No Further Representations. Except for the representations and warranties contained in this Article 4, Buyer Parties make no other express or implied representations, and Buyer Parties disclaim any other representations and warranties.

ARTICLE 5 PRE-CLOSING COVENANTS

5.1 General. Each of the Parties will, and will cause each of their Affiliates to, use commercially reasonable efforts to take all action and to do all things necessary, proper, or advisable in order to consummate and make effective (at the earliest practicable date) the transactions contemplated by this Agreement (including satisfaction, but not waiver, of the closing conditions set forth in Article 6 below).

5.2 Conduct of the Business in Normal Course. Each Seller Party covenants and agrees, from and after the date of this Agreement and until the Closing Date or the earlier termination of this Agreement pursuant to Section 7.1, (a) to preserve Seller Parties' respective present business organization intact, (b) to keep available the services of the present officers, employees and agents of each of Seller Parties with respect to the Business, (c) except as explicitly required hereunder, to preserve present relationships and goodwill with material suppliers, customers, landlords, creditors, employees, agents and other Persons having business dealings with either Seller Party with respect to the Business, (d) generally to operate the Business in the Ordinary Course (including funding budgeted capital expenditures), (e) to maintain the books and records of each Seller Party with respect to the Business in accordance with good business practice and GAAP, (f) to maintain all of the Acquired Assets in the same condition as they exist on the date hereof, ordinary wear and tear excepted, and maintain all insurance policies in effect as of the date hereof, without modification, (g) not to grant any Liens on any Owned Real Property or agree to any amendments of any Real Property Leases, and (h) to maintain all material Permits and Contracts necessary for the conduct of the Business. Each Seller Party covenants and agrees that, except as otherwise expressly contemplated by this Agreement or as specifically consented to in writing by Buyer Parties, from and after the date of this Agreement and until the Closing Date or the earlier termination of this Agreement pursuant to Section 7.1, no Seller Party shall undertake or permit any action that would (i) require disclosure under Schedule 3.10, (ii) result in a breach of the representations and warranties contained in Section 3.10 or (iii) could reasonably be expected to have a Material Adverse Effect.

5.3 Access to Information. From the date of this Agreement until the Closing Date or the earlier termination of this Agreement pursuant to Section 7.1, Seller Parties shall, and shall cause each of their respective Affiliates and respective representatives to, (a) afford Buyer Parties and their representatives, and any prospective lenders, and their respective representatives (collectively, the "Access Parties") reasonable access during normal business hours to the Business' personnel, properties, inventories, facilities, offices, third-party grower-finishers, third-party sites, Contracts, books and records, Permits and other documents and data, and to conduct inspections and reinspections of the Real Property comprising a part of the Acquired Assets and Improvements thereon, including environmental and other testing and

review of such Real Property, (b) furnish Buyer Parties and the Access Parties with copies of all such Contracts, books and records, Permits and other existing documents and data as Buyer Parties may reasonably request, and (c) furnish Buyer Parties and the Access Parties with such additional financial, operating and other data and information as Buyer Parties may reasonably request. Buyer Parties will schedule such access in advance with CFFI by requesting access in writing no less than three Business Days prior to such requested access. During any such access, Buyer Parties will, and will cause each Access Party to, follow all biosecurity procedures reasonably requested by CFFI. Prior to the Closing, Seller Parties shall generally keep Buyer Parties informed as to all material matters involving the Business.

5.4 Notice of Developments. Seller Parties will give prompt written notice to Buyer Parties of any material adverse development causing a breach of any of its representations and warranties in Article 3 above.

5.5 Breeding Practices. No Seller Party shall modify or change its current breeding practices with respect to the Breeding Stock, except as in the Ordinary Course. No Seller Party shall accelerate the sales of market hogs in connection with the Business or the Breeding Stock culls, or decelerate sales of the Swine Inventory.

5.6 No Solicitation of Other Bids; Exclusivity.

(a) From the date hereof through February 28, 2016, Seller Parties shall not, and shall not authorize or permit any of their respective Affiliates or any of its or their representatives to, directly or indirectly, (i) encourage, solicit, initiate, facilitate or continue inquiries regarding an Acquisition Proposal; (ii) enter into discussions or negotiations with, or provide any information to, any Person concerning a possible Acquisition Proposal; or (iii) enter into any agreements or other instruments (whether or not binding) regarding an Acquisition Proposal. Seller Parties shall immediately cease and cause to be terminated, and shall cause their respective Affiliates and all of their representatives to immediately cease and cause to be terminated, all existing discussions or negotiations with any Persons conducted heretofore with respect to, or that could lead to, an Acquisition Proposal. "Acquisition Proposal" means any inquiry, proposal or offer from any Person (other than Buyer Parties or any of their Affiliates) concerning the acquisition, sale, lease, exchange or other disposition of the Business or the Acquired Assets, other than sales of Inventory in the Ordinary Course.

(b) In addition to the other obligations under this Section 5.6, Seller Parties shall promptly (and in any event within three Business Days after receipt thereof by Seller Parties or any of their representatives) advise Buyer Parties orally and in writing of any Acquisition Proposal, any request for information with respect to any Acquisition Proposal, or any inquiry with respect to or which could reasonably be expected to result in an Acquisition Proposal, the material terms and conditions of such request, Acquisition Proposal or inquiry, and the identity of the Person making the same.

(c) Seller Parties agree that the rights and remedies for noncompliance with this Section 5.6 shall include having such provision specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to Buyer Parties and that money damages would not provide an adequate remedy to Buyer Parties.

5.7 Risk of Loss; Casualty Loss.

(a) If, between the date of this Agreement and the Closing, any of the Owned Real Property, Improvements on any Real Property or Tangible Personal Property included in the Acquired Assets shall be destroyed or damaged in whole or in part by fire, earthquake, flood, or other casualty (a "Casualty Loss"), then, in addition to and without limitation of any right of Buyer Parties not to consummate the transactions contemplated by this Agreement pursuant to Section 6.1, at the Closing, Seller Parties shall assign to Buyer Parties, and Buyer Parties shall have the right to make a claim for and to retain any casualty insurance proceeds received (net of any reasonable out-of-pocket expenses) under the casualty insurance policies in effect with respect to the subject Owned Real Property, Improvements or Tangible Personal Property on account of such Casualty Loss as shall be necessary to perform repairs to and/or to rebuild such Owned Real Property, Improvements or Tangible Personal Property to substantially the same condition as it existed prior to the occurrence of such Casualty Loss.

(b) If, between the date of this Agreement and the Closing, any condemnation proceeding is commenced with respect to any Real Property included in the Acquired Assets, in addition to and without limitation of any right of Buyer Parties not to consummate the transactions contemplated by this Agreement pursuant to Section 6.1, Seller Parties shall assign to Buyer Parties at the Closing all of each Seller Party's right, title and interest in and to all awards made in respect of such condemnation and shall pay over to Buyer Parties all amounts theretofore received by any Seller Party (net of any reasonable out-of-pocket expenses) in connection with such condemnation.

ARTICLE 6
CONDITIONS TO OBLIGATION TO CLOSE

6.1 Conditions to Obligation of Buyer Parties. The obligation of Buyer Parties to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

(a) Seller Parties shall have performed and complied in all material respects with all of their respective covenants hereunder through the Closing, except for those covenants that are qualified by materiality or with respect to a Material Adverse Effect, which shall be complied with in all respects;

(b) the representations and warranties set forth in Article 3 above shall be true and correct in all material respects at and as of the Closing Date, except for those representations that are qualified by materiality or with respect to Material Adverse Effect, which shall be true and correct in all respects;

(c) no Action shall be pending before any Governmental Authority or arbitral body wherein an unfavorable Order would prevent consummation of any of the transactions contemplated by this Agreement;

(d) Since November 13, 2015, there has been no event, occurrence, fact, condition or change (whether or not covered by insurance) that has had or could reasonably be expected to have a Material Adverse Effect;

(e) the deliverables set forth in Section 2.2 shall have been delivered to Buyer Parties;

(f) Buyer Parties shall have received the Title Company's commitment to issue an owner's title insurance policy with respect to each of the CFF Sites, the Feed Mill and the Truck Washes, insuring the applicable Buyer Party in such amounts and together with such endorsements, and otherwise in such form, as Buyer Parties shall require. Such title insurance policy shall insure fee simple title to each of the CFF Sites, the Feed Mill and the Truck Washes, free and clear of all Liens other than Permitted Liens. The cost of such title insurance policy shall be paid by Seller Parties at the Closing. The cost of any endorsements to the title insurance policy shall be paid by Buyer Parties;

(g) Buyer Parties have had the opportunity to complete and have reached a satisfactory conclusion, without limitation, in Buyer Parties' sole and absolute discretion, of any additional due diligence regarding Seller Parties and their assets and liabilities, past, current or pending Actions, Permit status, water rights, environmental compliance and any and all other aspects or matters of Buyer Parties' choice or request;

(h) Seller Parties, or their applicable Affiliates, have repaired the leaking fuel pump located at the Feed Mill such that such pump is in good condition and good working order, as determined in good faith by Buyer Parties; and

(i) If determined to be required by the Parties, any waiting periods or extensions thereof under the HSR Act with respect to the Acquisitions or other transactions contemplated hereunder shall have expired.

Buyer Parties may waive any condition specified in this Section 6.1 by providing written notice of such waiver to Seller Parties at or prior to the Closing.

6.2 Conditions to Obligation of Seller Parties. The obligation of Seller Parties to consummate the transactions to be performed by them in connection with the Closing is subject to satisfaction of the following conditions:

(a) Buyer Parties shall have performed and complied with all of its covenants hereunder in all material respects through the Closing, except for those covenants that are qualified by materiality or with respect to Material Adverse Effect, which shall be complied with in all respects;

(b) the representations and warranties set forth in Article 4 above shall be true and correct in all material respects at and as of the Closing Date, except for those representations that are qualified by materiality or with respect to Material Adverse Effect, which shall be true and correct in all respects;

(c) no Action shall be pending before any Governmental Authority or arbitral body wherein an unfavorable Order would prevent consummation of any of the transactions contemplated by this Agreement;

(d) the deliverables set forth in Section 2.3 shall have been delivered to Seller Parties or such other Person, as applicable; and

(e) If determined to be required by the Parties, any waiting periods or extensions thereof under the HSR Act with respect to the Acquisitions or other transactions contemplated hereunder shall have expired.

Seller Parties may waive any condition specified in this Section 6.2 providing written notice of such waiver to Buyer Parties at or prior to the Closing.

ARTICLE 7 TERMINATION

7.1 Termination of Agreement. Certain of the Parties may terminate this Agreement as provided below:

(a) Buyer Parties and Seller Parties may terminate this Agreement by mutual written consent at any time prior to the Closing;

(b) Buyer Parties may terminate this Agreement by giving written notice to Seller Parties at any time prior to the Closing (i) in the event any Seller Party has breached any representation, warranty, or covenant contained in this Agreement in any material respect, Buyer Parties have notified such Seller Party, as applicable, of the breach, and the breach has continued without cure for a period of 14 days after the notice of breach or (ii) if the Closing shall not have occurred on or before February 28, 2016, by reason of the failure of any condition precedent under Section 6.1 (unless the failure results primarily from a Buyer Party breaching any representation, warranty, or covenant contained in this Agreement); or

(c) Seller Parties may terminate this Agreement by giving written notice to Buyer Parties at any time prior to the Closing (i) in the event any Buyer Party has breached any representation, warranty, or covenant contained in this Agreement in any material respect, Seller Parties have notified Buyer Parties of the breach, and the breach has continued without cure for a period of 14 days after the notice of breach or (ii) if the Closing shall not have occurred on or before February 28, 2016, by reason of the failure of any condition precedent under Section 6.2 (unless the failure results primarily from Seller Parties breaching any representation, warranty, or covenant contained in this Agreement).

7.2 Effect of Termination. If any Party terminates this Agreement pursuant to Section 7.1 above, all rights and obligations of the Parties hereunder shall terminate without any Liability of any Party to the other Party (except for any Liability of the Party then in breach, which Liability shall be limited to: (a) with respect to a termination under Section 7.1(b), the reasonable costs and expenses incurred by Buyer Parties in connection with the negotiation, diligence and efforts in connection with preparation for Closing hereunder and (b) with respect to a termination under Section 7.1(c), the reasonable costs and expenses incurred by Seller Parties in connection with the negotiation and efforts in connection with preparation for Closing hereunder).

ARTICLE 8 ADDITIONAL AGREEMENTS

8.1 Non-Solicitation and Non-Disclosure.

(a) Non-Solicitation. During the 12-month period after the Closing Date, each Seller Party and each Buyer Party shall not, and shall cause their respective Affiliates not to, directly or indirectly, at any time solicit or induce or attempt to solicit or induce any employee of Seller Parties, in the case of Buyer Parties and their Affiliates, or of Buyer Parties, in the case of Seller Parties and their Affiliates, to terminate such employee's employment, without obtaining written consent of Buyer Parties or Seller Parties, as the case may be, prior to such solicitation or inducement. Such

prohibition on solicitation shall not apply to general solicitations, including job postings on the Internet or in newspaper print advertisements.

(b) Non-Disclosure. Each Seller Party and each Buyer Party shall, and shall cause its Affiliates to, keep in strict confidence, and shall not, and shall cause its Affiliates not to, directly or indirectly, at any time, (i) disclose, divulge or make accessible to any Person any Confidential Information, without the prior written consent of the disclosing Party, or (ii) use any Confidential Information for such Seller Party's or such Buyer Party's own account, for the account of any other Person, or to the detriment of the disclosing Party or its Affiliates, without the prior written consent of the disclosing Party. From and after the Closing, upon request by a Party, each Party shall deliver to such requesting Party all tangible embodiments relating to the Confidential Information that such Party possesses or has under its control. Confidential Information shall include all terms of this Agreement or any Ancillary Agreement and the transactions contemplated hereby or thereby. Notwithstanding the foregoing provisions of this Section 8.1(b), Seller Parties and Buyer Parties shall be entitled to disclose Confidential Information to their respective counsel and representatives who "need to know" such information in connection with the performance of their duties therefor, so long as such counsel and representatives comply with the limits on disclosure and use contained in this Section 8.1(b). Seller Parties and Buyer Parties, as the case may be, will be liable for any breach of this Section 8.1(b) by their Affiliates, counsel or representatives. Notwithstanding the foregoing, following the Closing, no Buyer Party will have any obligations or responsibilities under this Section 8.1(b) with respect to the Confidential Information included in the Acquired Assets or related to the Business.

(c) Acknowledgment and Relief. Each Party acknowledges and agrees that the remedies at Law available for breach of any of any Party's obligations under this Section 8.1 would be inadequate; therefore, in addition to any other rights or remedies that the Parties may have at Law or in equity, the Parties shall be entitled to temporary and permanent injunctive relief, without the posting of any bond. If it shall be judicially determined that a Party has violated this Section 8.1, then the applicable period described in this Section 8.1 shall automatically be extended by a period of time equal in length to the period during which such violation or violations occurred.

(d) Enforceability. If any of the covenants contained in this Section 8.1 are determined by any court of competent jurisdiction to be unenforceable for any reason whatsoever, then such covenant will not be deemed void, and the Parties agree that the scope of such covenant may be modified by the court and that such covenant will be deemed amended in accordance with such modification, it being specifically agreed by the Parties that it is their continuing desire for each covenant contained in this Section 8.1 to be enforced to the full extent of its terms but that, if a court finds the scope of any such covenant unenforceable, the court should redefine the scope of such covenant so as to comply with applicable Law.

8.2 Further Assurances. From and after the Closing, at the request of a Seller Party or a Buyer Party, each Seller Party or Buyer Party, as the case may be, shall execute and deliver to the requesting Party, or cause to be executed and delivered on behalf of a Party to such requesting Party, such instruments and other documents as the requesting Party may reasonably request in order to implement the transactions contemplated by this Agreement and the Ancillary Agreements, including all further materials, documents and instruments of conveyance, transfer or assignment to effect, record or verify the transfer to, and vesting in a Buyer Party, as applicable, of, each Seller Party's right, title and interest in and to the Acquired Assets, free and clear of all Indebtedness and Liens, in accordance with the terms of this Agreement.

8.3 Press Release and Announcements. Each Seller Party shall not, and shall cause its Affiliates, managers, directors, officers, employees, equity holders, former equity holders, agents or

representatives not to, issue any press release or other announcement, including any announcement to employees, customers, packers, grower-finishers, suppliers, lenders or others having dealings with a Seller Party or any of their Affiliates, relating to the subject matter of this Agreement or any Ancillary Agreement or the transactions contemplated hereby or thereby, absent the advance mutual agreement of the Parties as to any press release or announcement and the form thereof. Except as required by applicable securities Laws, each Buyer Party shall not, and shall cause its Affiliates, managers, directors, officers, employees, equity holders, former equity holders, agents or representatives not to, issue any press release or other announcement (other than any announcement to employees, customers, packers, grower-finishers, suppliers, lenders or others having dealings with a Buyer Party or any of their Affiliates) relating to the subject matter of this Agreement or any Ancillary Agreement or the transactions contemplated hereby or thereby, absent the advance mutual agreement of the Parties as to any press release or announcement and the form thereof.

8.4 Expenses. Except as otherwise provided in this Agreement with respect to Selling Expenses and Transfer Taxes, each of the Parties shall bear its respective expenses incurred or to be incurred in connection with the execution and delivery of this Agreement and the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby.

8.5 No Amendment of Employee Plans or Arrangements. No provision of this Agreement shall constitute an amendment to any employee benefit or compensation plan, policy agreement or arrangement of a Buyer Party, a Seller Party, or their respective Affiliates, or obligate a Buyer Party or a Seller Party to provide any compensation or benefits to any Business Employee for any period of time or in any way limit Buyer Parties' or Seller Parties' ability to change the compensation or benefits it offers to its employees, except as provided in the retention agreements between certain Business Employees and SF.

8.6 Employee Matters.

(a) Subject to satisfaction of Buyer Parties' customary pre-employment/post-offer procedures and qualifications, including any applicable drug screening, background checks and employment authorization verification, Buyer Parties will offer to substantially all of the Business Employees employment with a Buyer Party or an Affiliate of a Buyer Party following the Closing on terms as Buyer Parties may determine but, in each case, with compensation rates for a period of 12 months following the Closing Date equal to or greater than the current compensation rate for such Business Employee, SF's standard package of employee benefits and with full credit for prior service to Seller Parties (but not any benefits accrued) for purposes of determining time-off, vacation, sick time and eligibility for Buyer Parties' 401(k) plan (including credit for any vesting) and, to the extent permitted under the applicable insurance policies, any sponsored insurance. At or prior to Closing, Buyer Parties shall identify to Seller Parties the Business Employees to whom Buyer Parties will offer employment (such offerees who accept employment, collectively, the "Continuing Employees"). Excepting those Liabilities arising from a Buyer Party's violation of applicable Law in connection with any offer of employment to the Business Employees, Seller Parties shall remain responsible for all Liabilities of any kind relating to Seller Parties' employment of any employees, except as hereinafter provided. Without limiting the generality of the foregoing sentence, Seller Parties shall (i) provide all notices required under applicable Law to its employees with respect to the transactions contemplated herein, and (ii) be and remain responsible for any required compliance with respect to the Business Employees under the Worker Adjustment, Retraining and Notification Act of 1988 (including the giving of any notice required thereunder), any state or local Laws regarding plant closing, layoffs or similar matters relating to periods prior to the Effective Time, and any notices or compliance required under COBRA or similar state or local Laws. The Parties agree that the liability for benefits accrued and claims incurred under any of the Employee Plans shall remain the responsibility of the Employee Plans and Seller Parties.

The Parties agree that Buyer Parties shall have no Liability under any of the Employee Plans, including, without limitation, benefits accrued or claims incurred under such plans or with respect to the administration of the Employee Plans. Seller Parties shall solely be responsible for the provision of COBRA continuation coverage under Section 4980B of the Code or other applicable Law to all employees who are not Continuing Employees, former employees or their beneficiaries entitled to such continuation coverage under any Employee Plan related to the Business.

(b) Seller Parties shall, as of the Effective Time, terminate the employment of all of the Continuing Employees. Except as specifically provided for herein, Seller Parties shall satisfy and remain solely responsible for all severance pay (if any), vacation pay, employee benefits and other legal obligations with respect to the Business Employees. The Parties will mutually agree prior to the Closing on any amounts to be deducted from the Total Consideration for any unpaid salary, wages or benefits amounts (which deducted amounts thereupon will be applied by SF to the satisfaction of such unpaid salary, wages or benefits amounts). Except as specifically provided in this Agreement, Buyer Parties shall have no Liability with respect to the Business Employees. Notwithstanding the foregoing, Buyer Parties shall pay to the Continuing Employees any January 2016 accrued but unpaid production bonuses no later than March 31, 2016, and upon such payment to the Continuing Employees, Seller Parties shall promptly reimburse Buyer Parties for the pre-Closing pro rata share of such payments. Any Continuing Employees who have accrued and unused time-off as of the Closing Date shall be entitled to take such time-off without pay from Buyer Parties or their Affiliates.

(c) All provisions contained in this Section 8.6 with respect to Business Employees are included for the sole benefit of Seller Parties and Buyer Parties, and nothing in this Agreement, whether express or implied, shall create any third party beneficiary, guarantees or other rights (i) in any other Person, including any Business Employees or former employees of Seller Parties or (ii) to continued employment with Buyer Parties or any of their Affiliates, or at certain compensation levels or with certain benefits.

8.7 Operating Costs Proration. After the Closing Date, all operating costs, including electricity, gas, water, telephone, trash removal, snow removal, landscaping, janitorial and maintenance and all other utilities and similar services (collectively, the "Operating Costs") with respect to the Acquired Assets will be contracted for and paid by Buyer Parties. If there is any period after the Closing Date when such Operating Costs have not been transitioned to direct contracts with Buyer Parties, then Buyer Parties will reimburse the applicable Seller Party for the costs of such Operating Costs for such period after the Closing Date. All Operating Costs with respect to the Acquired Assets for any period of time occurring partially before and partially after the Closing Date will be prorated between Seller Parties and Buyer Parties.

8.8 Davis County Nuisance Mediation. The Parties acknowledge that Seller Parties have participated in a mediation with respect to a certain nuisance claim against Seller Parties, along with Parks, Cargill and Triumph, in connection with the proposed construction of three Parks' finishing barns in Davis County, Iowa, Mediation File #FNI/9.29.14 (Requesting Party – County Line Neighbors – Davis and Appanoose Counties) (the "Davis County Matter"). Following the Closing Date, Seller Parties will remain responsible for the control of, and for any and all Liabilities arising out of or attributable to the operation or ownership of Seller Parties' facilities prior to the Closing (including any Liabilities incurred by Buyer Parties), in connection with any future Action related to the Davis County Matter provided that such Action is filed prior to the second anniversary of the Closing Date. Buyer Parties shall be responsible for any Liabilities arising out of or attributable to Buyer Parties' ownership, management, control or operation of such facilities after the Closing Date (including any Liabilities incurred by Buyer Parties) only to the extent Buyer Parties take or fail to take any actions that directly result in aggravating or increasing Liabilities arising out of or attributable to the Davis County Matter.

8.9 Survey Exceptions. If, at the Closing, any title commitments issued by the Title Company contain exceptions or endorsements that would be eliminated by conducting a survey, Seller Parties will, within two months after the Closing, obtain and provide to the Title Company a survey, survey certificate or other items sufficient to enable the Title Company to cause the removal of any such exceptions or endorsements in any of the title commitments issued by the Title Company, in each case, dating back to the Closing Date and shall deliver the updated title policy to Buyer Parties.

8.10 Antitrust Cooperation. If there is a disagreement between the Parties about antitrust strategy, the Buyer Parties' decision controls. Notwithstanding anything to the contrary in this Agreement, Buyer Parties have the sole right to control and direct antitrust strategy in connection with review of the Acquisitions by any Governmental Authority, or any Action by, or negotiations with, any antitrust authority or other Person relating to the Acquisitions and will take the lead in all meetings, discussions and communications with any Governmental Authority relating to obtaining antitrust approval for the Acquisitions. Buyer Parties and Seller Parties will use commercially reasonable efforts to:

(a) promptly and fully inform the other Parties of any written or oral communication received from or given to the Federal Trade Commission, the Antitrust Division of the Department of Justice or any other Governmental Authority or any Person relating to any inquiry, investigation or proceeding relating to the Acquisitions or any filing submitted to any Governmental Authority and promptly provide the other a copy of any written communication or filing received from or provided to any Governmental Authority or Person regarding the Acquisitions (subject to applicable Laws regarding privilege) as well as copies of any documents submitted in response to Item 4(c) or 4(d) of the HSR Form, *provided* that no privileged information or information that is deemed to be competitively sensitive is required to be shared;

(b) allow the other Parties to review in advance and to the extent practicable, consult with one another on and consider in good faith the views of the other with respect to any written communication or submission to any Governmental Authority relating to any inquiry, investigation or proceeding involving the Acquisitions; and

(c) agree not to participate in any material meeting or discussion with any Governmental Authority regarding any filing, inquiry or investigation relating to the Acquisitions unless, to the extent practicable, the participating Party consults with the other Parties in advance, and to the extent not prohibited by Law and permitted by the Governmental Authority, gives the other Parties, including outside counsel, reasonable notice and an opportunity to attend and participate.

ARTICLE 9 TAX MATTERS

9.1 Total Consideration Allocation. Within 45 days after the Closing Date, the Parties shall jointly prepare a statement (the "Allocation Statement") allocating the Total Consideration (together with the amount of Assumed Liabilities treated as assumed by Buyer Parties for U.S. federal income tax purposes) among the Acquired Assets (the "Allocation"). The Parties shall make entirely consistent use of the Allocation for all Tax and financial reporting purposes, including for any Tax Returns and any forms or reports required to be filed pursuant to Section 1060 of the Code (including IRS Form 8594), or any comparable provision of applicable Law, and shall not take any position inconsistent therewith, in any Tax proceeding related to the determination of any Tax; *provided, however*, that nothing contained herein shall prevent Buyer Parties or Seller Parties from settling any proposed Tax deficiency or adjustment by any Governmental Authority based upon or arising out of this allocation, and neither of Buyer Parties nor Seller Parties shall be required to litigate before any court any proposed deficiency or adjustment by any

Governmental Authority challenging such allocation. Notwithstanding anything in this Agreement to the contrary, allocations under this Section 9.1 shall be made in accordance with applicable Law, including Section 1060 of the Code to the extent applicable.

9.2 Transfer Taxes. Except for any recording fees, for which Buyer Parties shall be liable, Seller Parties shall be jointly and severally liable for the payment of any transfer (including securities transfer), excise, franchise, property, documentary, sales, use, stamp, registration, filing, recording, value added and other such Taxes and fees (including any penalties, interest, and additions to Tax) imposed in connection with this Agreement, the Ancillary Agreements or any transaction contemplated hereby or thereby ("Transfer Taxes"). Seller Parties shall, upon request of Buyer Parties, use their commercially reasonable efforts to obtain any certificate or other document from any Person as may be necessary to mitigate, reduce or eliminate any Transfer Tax. Unless otherwise required by applicable Law, Seller Parties will timely pay when due all Transfer Taxes and will cause to be timely filed all necessary Tax Returns and other documentation with respect to all Transfer Taxes and fees. Seller Parties shall provide Buyer Parties with copies of all Tax Returns and other documentation for Transfer Taxes and evidence that all Transfer Taxes have been timely paid.

9.3 Cooperation on Tax Matters. Buyer Parties, on the one hand, and Seller Parties, on the other hand, shall, and shall cause their Affiliates to, cooperate fully, as and to the extent reasonably requested by any other Party, with regard to Tax matters, including in connection with the preparation, execution and filing of Tax Returns, the obtaining and filing of exemption certificates and other similar documentation, and any audit, examination, inquiry, claim for refund or Action with respect to Taxes (each a "Tax Proceeding"). A Party's cooperation shall include retaining records and information that are reasonably relevant to any such Tax Return or Tax Proceeding, providing any other Party with access to copies of such material upon request, and making employees available on a mutually convenient basis to provide explanation of any such material. Notwithstanding anything to the contrary herein, nothing in this Section 9.3 shall require Buyer Parties or any of their Affiliates to provide any Seller Party or any of their respective Affiliates with access to or copies of Tax Returns of Buyer Parties or their Affiliates. Buyer Parties and Seller Parties shall, upon request, use commercially reasonable efforts to obtain any certificate (including resale certificates) or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed with respect to the transactions contemplated by this Agreement.

9.4 Tax Clearance Certificates. If Seller Parties have not delivered to Buyer Parties as of the Closing any Tax Clearance Certificate, Seller Parties shall deliver to Buyer Parties within 10 days after the Closing Date such Tax Clearance Certificate. Seller Parties shall notify the Taxing Authorities for the States of Iowa and Colorado of the transactions contemplated by this Agreement and the Ancillary Agreements in the form and manner required by such Taxing Authorities, if the failure to make such notifications or receive any available Tax Clearance Certificate could subject a Buyer Party to any Taxes of Seller Parties. If any Taxing Authority asserts that Tax is owed, Seller Parties shall promptly pay any and all such amounts and shall provide evidence reasonably satisfactory to Buyer Parties that such Liabilities have been paid in full or otherwise satisfied.

9.5 Pre-Closing Tax Periods. Except as otherwise provided in Section 9.6 for Straddle Period Taxes, Seller Parties shall be responsible for, and shall promptly pay when due, all Taxes (a) of each Seller Party and their Affiliates, (b) related to or imposed on the Acquired Assets or the Business for any Pre-Closing Tax Period or (c) required to be paid pursuant to any Tax sharing or allocation Contract.

9.6 Straddle Periods; Proration.

(a) In the Case of any Straddle Period:

(i) Taxes imposed with respect to Tangible Personal Property and Real Property included in the Acquired Assets ("Property Taxes") of any Person for the pre-Closing portion of any Straddle Period shall be equal to the amount of such Property Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of days during the Straddle Period that are in the Pre-Closing Tax Period and the denominator of which is the total number of days in the Straddle Period; and

(ii) Taxes of any Person (other than Property Taxes) for the pre-Closing portion of any Straddle Period shall be computed as if such Straddle Period ended as of the close of business on the day before the Closing Date.

(b) Property Taxes in respect of the Acquired Assets shall be prorated, allocated or adjusted between Buyer Parties and Seller Parties pursuant to a written statement (the "Proration Statement") to be prepared by Buyer Parties and Seller Parties prior to the Closing. Any additional amounts owed by Buyer Parties or credits due to Buyer Parties in respect of prorated Taxes shall be reflected in such Proration Statement.

(c) Following Closing, all Property Taxes due with respect to the Acquired Assets or the operation of the Business, including any and all Property Taxes for the fiscal year in which the Closing Date occurs and which is due and payable in the following fiscal year, shall be remitted to the appropriate Taxing Authority by Buyer Parties. All Property Taxes assessed for the Straddle Period shall be attributed to pre-Closing and post-Closing periods in accordance with this Section 9.6 using 100% of the latest available rates, classifications, assessed values and assessments, as shown by the assessment records of Seller Parties on the Closing Date. If any Property Taxes assessed for the Straddle Period are based upon a partial assessment of the present property Improvements or a changed tax classification as of the Closing Date, the Property Taxes for the Straddle Period shall be attributed to pre-Closing and post-Closing periods based on the current millage rate, the assessed value, legislative Tax rollbacks and real estate Tax exemptions that will actually be applicable, as shown by the applicable assessor's records on the Closing Date. The portion of Property Taxes so attributed to Pre-Closing Tax Periods shall be borne by Seller Parties, and the balance of Property Taxes shall be borne by Buyer Parties. Seller Parties' proportionate share of any Property Taxes payable by Buyer Parties shall be credited to Buyer Parties, and Buyer Parties' proportionate share of any Property Taxes payable by Seller Parties shall be credited to Seller Parties, in the Proration Statement. This proration of Property Taxes shall not be subject to further adjustment after the Closing Date.

(d) With respect to Taxes described in this Section 9.6, (i) Seller Parties shall timely file all Tax Returns due on or before the Closing Date with respect to such Taxes and timely pay (or cause to be timely paid) such Taxes due with respect to such Tax Returns and (ii) Buyer Parties shall prepare and timely file all Tax Returns due after the Closing Date with respect to such Taxes. If one Party remits to the appropriate Taxing Authority payment for Taxes, which are subject to proration under this Section 9.6 and such payment includes the other Party's share of such Taxes, such other Party shall promptly reimburse the remitting Party for its share of such Taxes (in accordance with the procedures set forth in Section 1.9) after the remitting Party has provided evidence to the other Party that such Taxes have been paid.

(e) Notwithstanding anything to the contrary in this Agreement, Seller Parties shall pay (i) all Property Taxes that are necessary to cause the Acquired Assets to be conveyed to Buyer Parties and (ii) any special assessment on any of the Acquired Assets that, if not paid, would become delinquent during the calendar year of the Closing, and all such prior installments. If any preliminary or deficiency assessment of Property Taxes could be discharged by payment, Seller

Parties shall establish an escrow account to the satisfaction of Buyer Parties with sufficient funds to pay such assessments, when payable, and any unused escrow funds shall be returned to Seller Parties.

9.7 Exception. Notwithstanding anything to the contrary in this Agreement and notwithstanding any right to information under Law (to the extent such right under Law can be waived), no Seller Party nor Buyer Party nor any of their Affiliates shall have the right at any time to examine the Tax Returns, Tax work papers, financial statements or information or books and records of Buyer Parties, Seller Parties (other than the Records included in the Acquired Assets), or any of their Affiliates for any purpose, except as required by Buyer Parties to prepare pro forma financial statements as required under applicable securities Laws. Seller Parties make no representation or warranty as to the accuracy or completeness of such additional information provided to Buyer Parties and shall have no Liability to Buyer Parties or any other party with respect thereto.

ARTICLE 10 REMEDIES

10.1 General Indemnification Obligations.

(a) Subject to the conditions and limitations contained in this Article 10, Seller Parties shall, jointly and severally, indemnify, defend and hold harmless Buyer Parties, their Affiliates and each of their respective stockholders, partners, officers, managers, members, directors, employees and agents (each a "Buyer Indemnified Party") from and against any and all losses, Liabilities, damages, penalties, judgments, awards, settlements, costs, fees, expenses (including reasonable attorneys' fees) and disbursements (each a "Loss" and, collectively, "Losses") incurred or suffered by any of such Persons based upon, arising out of or otherwise related to (i) any inaccuracy in any representation or warranty of Seller Parties contained in this Agreement (including any Schedule), any Ancillary Agreement (other than the TMSA) or any certificate or other document delivered pursuant to this Agreement or any Ancillary Agreement (other than the TMSA); (ii) any breach of any covenant (including with respect to the Davis County Matter) or agreement of a Seller Party contained in this Agreement (including any Schedule), any Ancillary Agreement (other than the TMSA) or any certificate or other document delivered pursuant to this Agreement or any Ancillary Agreement (other than the TMSA); and (iii) any Retained Liabilities.

(b) Subject to the conditions and limitations contained in this Article 10, Buyer Parties shall, severally but not jointly, indemnify, defend and hold harmless Seller Parties, their Affiliates and each of their respective stockholders, partners, officers, managers, members, directors, employees and agents (each a "Seller Indemnified Party") from and against any and all Losses incurred or suffered by any of such Persons based upon, arising out of or otherwise related to (i) any inaccuracy in any representation or warranty of such Buyer Party contained in this Agreement (including any Schedule), any Ancillary Agreement (other than the TMSA) or any certificate or other document delivered pursuant to this Agreement or any Ancillary Agreement (other than the TMSA), in each case, to which such Buyer Party is a party; (ii) any breach of any covenant or agreement of such Buyer Party contained in this Agreement (including any Schedule), any Ancillary Agreement (other than the TMSA) or any certificate or other document delivered pursuant to this Agreement or any Ancillary Agreement (other than the TMSA); and (iii) any Assumed Liability of such Buyer Party.

10.2 Scope of Indemnification.

(a) No Seller Party shall be obligated to indemnify any Buyer Indemnified Party for any Losses under Section 10.1(a), and no Buyer Party shall be obligated to indemnify any Seller Indemnified Party for any Losses under Section 10.1(b), as the case may be, unless and until (i) in the case of any Losses under Section 10.1(a)(iii) with respect to the Retained Liabilities set forth in Section 1.4(e), the aggregate amount of such Losses exceeds \$1,000,000.00 (the "Environmental Deductible"), in which event Seller Parties shall be liable for all such Losses in excess of the Environmental Deductible (which, for the avoidance of doubt, shall not include the amount equal to the Environmental Deductible), and (ii) in the case of any other Losses under Section 10.1(a) or any Losses under Section 10.1(b), the aggregate amount of such Losses exceeds \$150,000.00 (the "Tipping Basket"), in which event Seller Parties or Buyer Parties, as the case may be, shall be liable for all such Losses (which, for the avoidance of doubt, shall include the amount equal to the Tipping Basket).

(b) No Seller Party shall be obligated to provide indemnification to the Buyer Indemnified Parties pursuant to Section 10.1(a) in an aggregate amount exceeding the Total Consideration. Buyer Parties shall not be obligated to provide indemnification to the Seller Indemnified Parties pursuant to Section 10.1(b) in an aggregate amount exceeding the Total Consideration.

(c) The right to indemnification, payment of damages or other remedy pursuant to this Article 10 shall not be affected by the Indemnified Party's investigation with respect to, or any knowledge acquired (or capable of having been acquired) about, the accuracy or inaccuracy of or compliance with, any representation, warranty, agreement, covenant or obligation under this Agreement or any Ancillary Agreement.

(d) Notwithstanding anything to the contrary herein, all references in this Agreement and the Schedules hereto to "material," "material respects," "Material Adverse Effect" and similar qualifications are to be excluded with regard to determining the amount of any Losses for which a Buyer Indemnified Party or Seller Indemnified Party is entitled to indemnification under this Article 10. For the avoidance of doubt, such qualifications are not to be excluded for purposes of determining the existence of a breach hereunder.

10.3 Notice and Third Party Claims.

(a) Notice of Claims. As soon as is reasonably practicable after any Seller Party or Buyer Party becomes aware of any claim that such Party has under Section 10.1 that may result in a Loss for which such Party or any other Buyer Indemnified Party or Seller Indemnified Party, as applicable, is entitled to indemnification hereunder (a "Claim"), such Party (the "Indemnified Party") shall give notice of such Claim (a "Claims Notice") to Seller Parties, in the case of a Claim by a Buyer Party, or to Buyer Parties, in the case of a Claim by a Seller Party (such Party, the "Indemnifying Party"). A Claims Notice must describe the Claim in reasonable detail and must indicate, to the extent feasible, the estimated amount of the Loss that has been or may be suffered by the Indemnified Party and any other Buyer Indemnified Party or Seller Indemnified Party, as applicable. No delay in or failure to give a Claims Notice by the Indemnified Party to the Indemnifying Party pursuant to this Section 10.3(a) shall adversely affect any of the other rights or remedies that the Indemnified Party or any other Buyer Indemnified Party or Seller Indemnified Party, as applicable, has under this Agreement or alter or relieve the Indemnifying Party of its obligation to indemnify the Indemnified Party or any other Buyer Indemnified Party or Seller

Indemnified Party, as applicable, except to the extent that such delay or failure has increased the Loss or prejudiced the Indemnifying Party.

(b) Third Party Claims. If any Claims Notice identifies a Claim brought by an unaffiliated third party (any such Claim, a "Third Party Claim"), then a Buyer Party may at its sole election assume and conduct the defense (which, for the avoidance of doubt, includes the settlement) of such Third Party Claim with counsel selected by Buyer Parties; *provided, however*, that if a Buyer Party fails to take reasonable steps necessary to defend diligently such Third Party Claim, a Seller Party, so long as it continues to satisfy the Litigation Conditions, may assume such defense, and Seller Parties, if a Seller Party is the Indemnifying Party, shall be liable for all reasonable costs or expenses paid or incurred in connection with such defense, including any reasonable attorneys' fees. Notwithstanding anything to the contrary herein, only Buyer Parties shall control the defense and settlement of any Third Party Claim if such Third Party Claim (i) involves an allegation of criminal charges against any Buyer Indemnified Party, (ii) seeks restrictions on the business of any Buyer Indemnified Party or (iii) involves a customer or client of any Buyer Indemnified Party. Notwithstanding anything to the contrary herein, each of the Indemnified Party and the Indemnifying Party, as applicable, has the right to participate in (but not control if the other Party has assumed control), at its own expense, the defense of any Third Party Claim which the other is defending as provided in this Agreement, which participation rights shall include, to the extent permitted by Law, the right to notice reasonably in advance of any hearings or proceedings in connection with such Third Party Claim, the right to attend any meetings with a Governmental Authority or hearings or proceedings before any Governmental Authority and the right to receive copies of all pleadings, notices and communications related to such Third Party Claim. The Indemnifying Party, if it has assumed the defense of any Third Party Claim as provided in this Agreement, may not, without the prior written consent of the Indemnified Party, consent to a settlement of, or the entry of any judgment arising from, any such Third Party Claim that (A) does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnified Party and to any other Buyer Indemnified Party or Seller Indemnified Party, as applicable, a complete release from all Liability in respect of such Third Party Claim, (B) grants any injunctive or equitable relief or (C) may reasonably be expected to have a Material Adverse Effect on the Indemnified Party or any other Buyer Indemnified Party or Seller Indemnified Party, as applicable. The Indemnified Party, if it has assumed the defense of any Third Party Claim as provided in this Agreement, may not, without the prior written consent of the Indemnifying Party, (1) admit in any settlement or entry of judgment to any civil or criminal wrongdoing on the part of any director, officer, manager, shareholder or member of a Seller Party, or (2) agree to the imposition of any direct personal liability (exclusive of any indemnification obligations under this Agreement) on any director, officer, manager, shareholder or member of a Seller Party. Notwithstanding anything to the contrary in this Section 10.3(b), Seller Parties shall have the right to assume and conduct the defense, with counsel of its own choosing, of any Third Party Claim related to Taxes in which a Buyer Indemnified Party is not a named party to the Claim; *provided, however*, no Seller Party shall settle any Third Party Claim related to Taxes without Buyer Parties' prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed, if the resolution of such Third Party Claim reasonably could be expected to materially adversely affect the Tax Liability or Tax attributes of a Buyer Party or its Affiliates for any Tax period ending after the Closing Date. If a Seller Party fails to assume and conduct the defense of any such Third Party Claim related to Taxes, a Buyer Party may assume and conduct such defense.

10.4 Survival. The representations and warranties of Seller Parties and Buyer Parties contained in this Agreement or in any Ancillary Agreement shall survive the Closing Date and Claims, including any Third-Party Claims, relating to any inaccuracy in such representations and warranties may be brought until the second anniversary of the Closing Date (the "Expiration Date"). Notwithstanding the foregoing, (a) the

Expiration Date for any Claims relating to any inaccuracy in the representations and warranties set forth in Section 3.12 (Employee Plans) and Section 3.19 (Taxes) shall be the expiration of the applicable statute of limitations related to such Claim as extended under any Law plus 60 days and (b) there shall be no Expiration Date for any Claims relating to any inaccuracy in the representations and warranties set forth in the Fundamental Representations. Any Claims pending on the applicable Expiration Date for such Claims for which written notice has been given in accordance with Section 10.3 on or before the applicable Expiration Date may continue to be asserted and indemnified against until finally resolved. There shall be no Expiration Date with respect to any Claims relating to any Fraud committed by any Seller Party or by any Buyer Party. Except as otherwise specified in Section 8.1, all of the covenants and agreements of Seller Parties and Buyer Parties contained in this Agreement shall survive after the Closing Date indefinitely.

10.5 Tax Treatment. Amounts paid to or on behalf of Seller Parties or Buyer Parties following the Closing Date shall be treated as adjustments to the Total Consideration for Tax purposes, to the extent permitted by applicable Law.

10.6 Damages. In no event shall any Party be liable for, nor shall the definition of Losses include, any punitive, exemplary or speculative damages that could not be recovered under Law, except (a) to the extent such damages are included in an Order or settlement Contract in respect of a Third Party Claim or (b) with respect to such damages arising out of Fraud by or on behalf of an Indemnifying Party.

10.7 Indemnification in Case of Strict Liability or Indemnitee Negligence. THE PROVISIONS IN THIS ARTICLE 10 SHALL BE ENFORCEABLE REGARDLESS OF WHETHER A CLAIM OR LOSS IS BASED UPON PAST, PRESENT OR FUTURE ACTS, ACTIONS OR LAW AND REGARDLESS OF WHETHER ANY PERSON (INCLUDING THE INDEMNIFYING PARTY) ALLEGES OR PROVES THE SOLE, CONCURRENT, CONTRIBUTORY OR COMPARATIVE NEGLIGENCE OF ANY PERSON (INCLUDING THE INDEMNIFIED PARTY), OR THE SOLE OR CONCURRENT STRICT LIABILITY IMPOSED UPON THE INDEMNIFIED PARTY.

10.8 Duty to Mitigate. Each Indemnified Party shall take, and cause its Affiliates to take, all commercially reasonable steps to mitigate any Loss upon becoming aware of any event or circumstance that would be reasonably expected to give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to such Loss.

10.9 Insurance and Tax Benefits. Payments by an Indemnifying Party pursuant to Sections 10.1(a) and 10.1(b) in respect of any Loss shall be limited to the amount of any liability or damage that remains after deducting therefrom any insurance proceeds and any indemnity, contribution or other similar payment received by the Indemnified Party in respect of any such Claim. Further, Payments by an Indemnifying Party pursuant to Sections 10.1(a) and 10.1(b) in respect of any Loss shall be reduced by an amount equal to any Tax benefit realized as a result of such Loss by the Indemnified Party. If the Indemnified Party receives payment or other indemnification from an Indemnifying Party hereunder, the Indemnifying Party shall be subrogated to the extent of such payment or indemnification to all rights in respect of the subject matter of such Claim to which the Indemnified Party may be entitled, and shall have the right to institute appropriate action for the recovery thereof, and the Indemnified Party agrees reasonably to assist and cooperate with the Indemnifying Party at no expense to the Indemnified Party in enforcing such rights.

10.10 Indemnification Exclusive Remedy. Except in the case of Fraud and except with respect to Sections 1.7, 8.1 and 10.10 and Article 7, the sole recourse and exclusive remedy of any Indemnified Party for the breach of any representations, warranties, covenants and agreements contained in this Agreement, any Schedule to this Agreement, any Ancillary Agreement (other than the TMSA) or any certificate or other document delivered pursuant to this Agreement, any Schedule to this Agreement or any

Ancillary Agreement (other than the TMSA), shall be to assert a claim for indemnification under the indemnification provisions of this Article 10. Except in the case of Fraud, the only legal action which may be asserted by any Party against any other Party with respect to any matter which is the subject of this Article 10 shall be a contract action to enforce, or to recover Losses as an indemnification claim for the breach of, this Agreement pursuant to the recourse described in this Article 10. Notwithstanding the foregoing, nothing contained in this Section 10.10 shall limit the rights of any Indemnified Party to seek or obtain any form of equitable relief, including injunctive relief, specific performance, or any other equitable remedy to which such Indemnified Party is otherwise entitled under this Agreement or any Ancillary Agreement (other than the TMSA) in addition to any relief such Indemnified Party is entitled under Article 10.

ARTICLE 11 DEFINITIONS

11.1 Definitions. For purposes of this Agreement, the following terms have the meanings specified or referenced in this Section 11.1:

"Access Parties" has the meaning set forth in Section 5.3.

"Acquired Assets" has the meaning set forth in Section 1.1(b).

"Acquired Contracts" has the meaning set forth in Section 1.1(c)(iii).

"Acquired Permits" has the meaning set forth in Section 1.1(c)(v).

"Acquisition Proposal" has the meaning set forth in Section 5.6(a).

"Acquisitions" has the meaning set forth in the Recitals.

"Action" means any claim, cause of action, complaint, demand, action, litigation, suit, legal proceeding or hearing, audit, assessment, investigation, interference, opposition, reexamination, *inter partes* review, post grant review, opposition, nullification, supplemental examination, concurrent use, controversy, cancellation, administrative enforcement proceeding or arbitration or mediation proceeding before or under the direction of any Governmental Authority.

"Affiliate" means with respect to any Person, a Person that directly or indirectly controls, is controlled by, or is under common control with, such Person. The term "control" as used in this definition (including the terms "controlled by" or "under common control with") means, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through ownership of voting securities, membership interests, by contract or otherwise. Notwithstanding the foregoing, the following trusts shall not be deemed Affiliates for purposes of this Agreement, to-wit: Marital Share Trust created under Article IV of the Last Will and Testament of Robert A. Christensen, dated March 18, 1999; Family Share Trust created under Article V of the Last Will and Testament of Robert A. Christensen, dated March 18, 1999; RAC Trust Agreement, dated July 27, 2007; and Robert A. Christensen Family Irrevocable Trust, dated December 22, 2004.

"Agreement" has the meaning set forth in the Preamble.

"Allocation" has the meaning set forth in Section 9.1.

"Allocation Statement" has the meaning set forth in Section 9.1.

"Ancillary Agreements" means the Bill of Sale, the Assignment and Assumption Agreement, the TMSA, the Deeds, the FIRPTA Certificates and each agreement, document, instrument or certificate contemplated by this Agreement or to be executed or delivered by any Buyer Party or any Seller Party in connection with the consummation of the transactions contemplated by this Agreement, in each case only as applicable to the relevant party or parties to such Ancillary Agreement, as indicated by the context in which such term is used.

"Assignment and Assumption Agreement" has the meaning set forth in Section 2.2(c).

"Assignment of Easements" has the meaning set forth in Section 2.2(f).

"Assumed Liabilities" has the meaning set forth in Section 1.3.

"Bare Land Property" has the meaning set forth in Section 1.1(c)(ii).

"Bill of Sale" has the meaning set forth in Section 2.2(b).

"Breeding Stock" means the Colorado Breeding Stock together with the Iowa Breeding Stock.

"Business" has the meaning set forth in the Recitals.

"Business Day" means any day except Saturday, Sunday or a day on which banking institutions in the State of Iowa or Colorado are required by Law to be closed.

"Business Employee" means the employees of each Seller Party listed on Schedule 3.11(d).

"Buyer" has the meaning set forth in the Preamble.

"Buyer Indemnified Party" has the meaning set forth in Section 10.1(a).

"Buyer Party" and "Buyer Parties" have the respective meanings set forth in the Preamble.

"Casualty Loss" has the meaning set forth in Section 5.7(a).

"CFF Sites" has the meaning set forth in the Recitals.

"CFFI" has the meaning set forth in the Preamble.

"CFM" has the meaning set forth in the Preamble.

"Claim" has the meaning set forth in Section 10.3(a).

"Claims Notice" has the meaning set forth in Section 10.3(a).

"Closing" has the meaning set forth in Section 2.1.

"Closing Date" has the meaning set forth in Section 2.1.

"COBRA" has the meaning set forth in Section 3.12(e).

"Code" means the Internal Revenue Code of 1986, as amended.

"Colorado Breeding Stock" has the meaning set forth in Section 1.1(b)(iii).

"Colorado CFF Sites" has the meaning set forth in Section 1.1(a)(i).

"Colorado Effluent Easements" has the meaning set forth in Section 1.1(b)(x).

"Colorado Feed Inventory" has the meaning set forth in Section 1.1(b)(v).

"Colorado Grow-Finish Inventory" has the meaning set forth in Section 1.1(b)(iv).

"Colorado Other Inventory" has the meaning set forth in Section 1.1(b)(vi).

"Colorado Rolling Stock" has the meaning set forth in Section 1.1(b)(vii).

"Colorado Swine Inventory" has the meaning set forth in Section 1.1(b)(iv).

"Colorado Tangible Personal Property" has the meaning set forth in Section 1.1(b)(viii).

"Colorado Unweaned Pig Inventory" has the meaning set forth in Section 1.1(b)(ii).

"Confidential Information" means all information, whatever its nature and form and whether obtained orally, by observation, from written materials or otherwise, that relates to any business or commercial activities or plans of a Seller Party with respect to the Business (to the extent in existence on or prior to the Closing Date) or Buyer Parties or their Affiliates, including all servicing methods and business techniques, route and rate information, processes, compilations of technical and non-technical information, improvements, designs, Software, Software code, databases, concepts, procedures, training, promotional materials, training courses and other training and instructional materials, vendor and product information, sales intermediary lists and other sales intermediary information, and customer lists and other customer information, whether or not patented or patentable, and all other information (a) that is not otherwise generally available to the public or could constitute a trade secret of such Person or such Affiliate under the Uniform Trade Secrets Act or common law or (b) for which a duty of confidentiality is owed to any third party. The term "Confidential Information" does not include (i) any information that is or becomes generally available to the public through no action of a Seller Party, including its representatives and agents and (ii) any information primarily related to the Excluded Assets.

"Confidentiality Agreement" means that certain Confidentiality Agreement, dated as of February 2, 2015, by and between SF and CFFI.

"Consent" means any consent, approval, authorization, qualification, waiver, registration or notification required to be obtained from, filed with or delivered to a Person, including with the United States Federal Trade Commission and the Antitrust Division of the United States Department of Justice under the HSR Act.

"Continuing Employees" has the meaning set forth in Section 8.6(a).

"Contract Producer Sites" has the meaning set forth in the Recitals.

"Contracts" means all contracts, agreements (including employment agreements and non-competition agreements), leases (whether real or personal property), licenses, sublicense, commitments, understandings, courses of dealings or performance, instruments, guarantees, bids, orders and proposals, whether oral or written.

"Count Team" has the meaning set forth in Section 1.7(a)(iii).

"Davis County Matter" has the meaning set forth in Section 8.8.

"Deeds" has the meaning set forth in Section 2.2(a).

"Defects" means runts, uncastrated males, freshly castrated males, ruptures, abscesses, fresh cuts, unhealed wounds, or any other condition which causes a downgrade or condemnation of any hog by the USDA inspectors.

"Effective Time" has the meaning set forth in Section 2.1.

"Effluent Easements" has the meaning set forth in Section 1.1(c)(iv).

"Employee Plan" and "Employee Plans" have the respective meanings set forth in Section 3.12(a).

"Environment" means soil, water (including navigable waters, oceans, streams, ponds, reservoirs, drainage basins, wetlands, surface waters, underground waters, drinking waters and water vapor), land, sediments, surface or subsurface strata, ambient air, indoor air, noise, plant life, animal life and all other environmental media or natural resources including any material or substance used in the physical structure of any building or improvement.

"Environmental Condition" means any condition of the Environment with respect to the Owned Real Property, the Leased Real Property or off-site properties.

"Environmental Law" means any health, safety, land use, ecological, occupational, environmental, and natural resource laws and orders, including all laws, orders, and private land use restrictions (such as covenants, conditions, and restrictions) relating to the following: (a) noise and odors; (b) the pollution or protection of the air, soil, surface water, ground water, or other elements of the environment; (c) the use, Release, storage, disposal, emission, handling, discharge, transport, treatment, processing, distribution, or manufacturing of any Hazardous Materials; (d) the registration, labeling of Hazardous Materials; and (e) the cleanup, removal, recovery, assessment, or remediation of any damage, abandonment, leak, emission, discharge, pollution, or contamination of or into air, soil, buildings, surface water, groundwater, or personal property; in each case, whether previously, presently or hereafter in effect, including the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.), the Oil Pollution Act of 1990 (33 U.S.C. Section 2701 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), the Clean Water Act (33 U.S.C. Section 1251 et seq.), the Clean Air Act (42 U.S.C. Section 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. Section 136 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 5101 et seq.), the Safe Drinking Water Act (42 U.S.C. Section 300f et seq.), the Emergency Planning and Community Right to Know Act (42 U.S.C. 11001 et seq.), the Endangered Species Act (16 U.S.C. Section 1531 et seq.), Export Administration Regulations (15 C.F.R. Parts 730 – 774) and the Occupational Safety and Health Act (29 U.S.C. Section 651 et seq.) and all similar or equivalent Laws adopted by any other Governmental Authority, and any and all implementing rules, regulations and guidance relating to any of the foregoing.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" has the meaning set forth in Section 3.12(a).

"Environmental Deductible" has the meaning set forth in Section 10.2(a).

"Excluded Assets" has the meaning set forth in Section 1.2.

"Excluded Contracts" has the meaning set forth in Section 1.2(f).

"Expiration Date" has the meanings set forth in Section 10.4.

"Facilities" has the meaning set forth in the Recitals.

"Feed Inventory" has the meaning set forth in Section 1.1(b)(v).

"Feed Mill" has the meaning set forth in the Recitals.

"Feed Mill Inventory Report" has the meaning set forth in Section 1.7(b).

"Financials" has the meaning set forth in Section 3.18(a).

"FIRPTA Certificate" means an affidavit of an authorized representative of each Seller Party, prepared in accordance with the requirements of Section 1445 of the Code and the Treasury Regulations thereunder, substantially in the form as Exhibit F hereto.

"FLSA" means the Fair Labor Standards Act of 1938, as amended.

"Fraud" means, with respect to any Person, such Person's intentional or knowing fraud regarding the representations and warranties expressly set forth in Article 3.

"Fundamental Representations" means the representations and warranties contained in Section 3.1 (Existence and Good Standing; Organization), Section 3.2 (Power), Section 3.3 (Authority, Validity, Effect and No Conflict), Section 3.5 (Subsidiaries), Section 3.6(a) (Title to Property), Section 3.22 (Brokers), Section 4.1 (Existence and Good Standing), Section 4.2 (Authority, Validity, Effect and No Conflict) and Section 4.4 (Brokers).

"Funds Flow Statement" means the funds flow statement delivered by Seller Parties to Buyer Parties two Business Days prior to the Closing Date containing the instructions (including bank wiring instructions) for delivering the portion of the Total Consideration to be paid at Closing and other amounts to the Persons set forth thereon, including (a) any creditors with whom a Seller Party has any outstanding Indebtedness immediately prior to the Closing that is to be paid at Closing (to ensure that the Acquired Assets are free and clear of all Indebtedness and Liens), (b) any Person to whom a Seller Party owes or shall owe any Selling Expenses, and (c) Seller Parties in the amounts shown thereon, dated as of the Closing Date, in form and substance reasonably acceptable to Buyer Parties.

"GAAP" means accounting principles generally accepted in the U.S. as in effect from time to time, consistently applied.

"General Enforceability Exceptions" has the meaning set forth in Section 3.3(a).

"Government Contract" means (a) any Contract between a Seller Party, on the one hand, and any Governmental Authority, on the other hand, or (b) any Contract between a Seller Party, on the one hand, and any Person (including any subcontract or at any tier), on the other hand, pursuant to which goods or services provided by a Seller Party are to be delivered or provided to or incorporated in items delivered or provided to a Governmental Authority.

"Government Official" means (a) any official, officer, employee, representative or instrumentality of, or any Person acting in an official capacity for or on behalf of, any Governmental Authority, (b) any political party, or employee, manager, director or other official thereof or candidate for political offices or (c) any Person owned, in whole or in part, or controlled by any Person described in clause (a) or (b) above.

"Governmental Authority" means any government or political subdivision or regulatory authority, whether federal, state, local or foreign, or any agency or instrumentality of any such government or political subdivision or regulatory authority, or any federal, state, local or foreign court or arbitrator or mediator.

"Grow-Finish Inventory" means the Colorado Swine Inventory together with the Iowa Swine Inventory.

"Guarantee" by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing or otherwise supporting in whole or in part the payment of any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, products, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (b) entered into for the purpose of assuring in any other manner the obligee of such Indebtedness or other obligations of the payment of such Indebtedness or performance of such obligations or to protect such obligee against loss in respect of such Indebtedness or obligations (in whole or in part). The term "Guarantee" used as a verb has a correlative meaning.

"Hazardous Material" means any pollutant, toxic substance, hazardous, special, industrial or other waste, hazardous material, hazardous substance, contaminant, petroleum or petroleum-containing materials, asbestos and asbestos-containing materials, radiation or radioactive materials, leaded paints, toxic mold and other harmful biological agents, soil gases, including petroleum and chemical vapors, and polychlorinated biphenyls or any other material which could otherwise give rise to Liability under any Environmental Law.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended from time to time.

"Improvements" means all buildings, fixtures, structures, improvements, lagoons, roads, water and effluent pipelines, utility access and other facilities situated on any Real Property.

"Indebtedness" of any Person means: (a) any Liability of such Person (i) for borrowed money (including the current portion thereof), (ii) under any reimbursement obligation relating to a letter of credit, bankers' acceptance or note purchase facility, (iii) evidenced by a bond, note, debenture or similar instrument (including a purchase money obligation), (iv) for the payment of money relating to leases that are required to be classified as a capitalized lease obligations in accordance with GAAP, (v) for all or any part of the deferred purchase price of property or services (other than trade payables), including any "earnout" or similar payments or any non-compete payments, (vi) under interest rate swap, hedging or similar agreements or (vii) for Taxes and (b) any Liability of others described in the preceding clause (a) that such Person has Guaranteed, that is recourse to such Person or any of its assets or that is otherwise its legal Liability or that is secured in whole or in part by the assets of such Person. For purposes of this Agreement, Indebtedness of a Seller Party includes (A) any and all accrued interest, success fees, prepayment premiums, make-whole premiums or penalties and fees or expenses actually incurred (including attorneys' fees) associated with the prepayment of any Indebtedness of a Seller Party, (B) cash,

book or bank account overdrafts of a Seller Party and (C) any and all amounts owed by a Seller Party to any of its Affiliates.

"Indemnified Party" has the meaning set forth in Section 10.3(a).

"Indemnifying Party" has the meaning set forth in Section 10.3(a).

"Intellectual Property means any and all of the following, and all rights in, arising out of, or associated therewith, in any jurisdiction throughout the world, whether protected, created or arising under any applicable Law, License, or otherwise: (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), products, processes, prototypes, articles of manufacture, compositions of matter, know-how and other things and information, all improvements thereto, and all patent disclosures and patents (including patent applications), including all utility models, provisional applications, continuations, divisionals, and continuations-in-part thereof and patents issuing thereon, along with all reissues, reexaminations, *inter partes* review proceedings, post grant review proceedings, opposition, nullification, supplemental examination proceedings and extensions thereof; (b) all copyrights, copyrightable subject matter and works of authorship (whether or not embodied in any tangible form, including instruction manuals, samples, studies and summaries), and all mask work, database and design rights, whether or not registered or published, all registrations and recordations thereof and all applications and registrations in connection therewith, along with all reversions, extensions and renewals thereof; (c) trade or service marks, logos, trade names, corporate names, including the name of each Seller Party, rights in telephone numbers and trade dress rights, together with all translations, adaptations, derivations and combinations thereof and including the goodwill associated with any of the foregoing, along with all applications, registrations, renewals and extensions thereof; (d) Confidential Information, including trade secrets and know-how (including ideas, research and development, formulae, algorithms, routines, compositions, technical data, customer and supplier lists, pricing, rate, route and cost information, and business and marketing plans and proposals); (e) all internet domain names and registrations and renewals thereof; (f) all Software and web sites; (g) registrations and applications for registration of each of the foregoing and all equivalent, similar or corresponding rights throughout the world; (h) all advertising and promotional materials and product labels; (i) all other intellectual property and other proprietary rights, and (j) all copies and tangible embodiments thereof (in whatever form or medium).

"Inventory" means all inventory produced, acquired or ordered by Seller Parties and held for use or sale primarily or exclusively in connection with the Business, including Swine Inventory, Feed Inventory and Other Inventory.

"Iowa Breeding Stock" has the meaning set forth in Section 1.1(a)(v).

"Iowa Effluent Easements" has the meaning set forth in Section 1.1(c)(iv).

"Iowa Feed Inventory" has the meaning set forth in Section 1.1(a)(vii).

"Iowa Grow-Finish Inventory" has the meaning set forth in Section 1.1(a)(vi).

"Iowa Other Inventory" has the meaning set forth in Section 1.1(a)(viii).

"Iowa Rolling Stock" has the meaning set forth in Section 1.1(a)(ix).

"Iowa Swine Inventory" has the meaning set forth in Section 1.1(a)(vi).

"Iowa Tangible Personal Property" has the meaning set forth in Section 1.1(c)(vi).

"Iowa Unweaned Pig Inventory" has the meaning set forth in Section 1.1(a)(iv).

"Knowledge of Seller Parties" means the actual knowledge of Glenn Stolt, Jeff Jagerson, Greg Howard, Jeff Rusch, Matt Burkett, Dave Rosenhamer, Adam Barka, Valerie Johnson and Leon Steffl on the date hereof after due inquiry with respect to the matters at hand.

"Law" means any foreign, federal, state or local law, statute, code, ordinance, regulation, judicial decision, rule, Order, executive order or other requirement.

"Leased Real Property" has the meaning set forth in Section 3.6(b)(ii).

"Liabilities" means any liabilities, Taxes, adverse claims, Indebtedness, fines and penalties or other obligations, whether accrued, fixed, due or to become due, absolute or contingent, matured or unmatured, determined or determinable, known or unknown, unliquidated or otherwise, regardless of when asserted.

"License" means any license, sublicense, Contract, covenant not to sue or permission.

"Liens" means any hypothecation, mortgage, assignment, lease, license or other right of possession, deed of trust, encumbrance, Real Property title defect, infringement, interference, charge, claim, community property interest, easement, right of way, covenant, servitude, condition, equitable interest, lien, option, pledge, security interest, purchase rights, right of first refusal, tag along right or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

"Litigation Conditions" means (a) the defense of such Third Party Claim by the Indemnifying Party shall not, in the reasonable judgment of the Indemnified Party, materially prejudice any defense or right of the Indemnified Party or any other Buyer Indemnified Party or Seller Indemnified Party, as applicable; (b) the Indemnifying Party has sufficient financial resources, in the reasonable judgment of the Indemnified Party, to satisfy the amount of any adverse monetary judgment that is reasonably likely to result; (c) the Third Party Claim seeks (and continues to seek) only monetary damages; and (d) the Indemnifying Party expressly agrees in writing that as between the Indemnifying Party and the Indemnified Party, the Indemnifying Party may only satisfy and discharge the Third Party Claim in accordance with this Agreement.

"Loss" and "Losses" have the respective meanings set forth in Section 10.1(a).

"Material Contracts" has the meaning set forth in Section 3.14(a).

"Material Adverse Effect" means any event, occurrence, fact, condition or change that is materially adverse to the business, results of operations, financial condition, prospects or assets of the Business, taken as a whole; *provided, however*, that "Material Adverse Effect" shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (a) general economic or political conditions; (b) conditions generally affecting the industries in which the Business operates, including any livestock disease conditions such as Porcine Reproductive and Respiratory Syndrome and Porcine Epidemic Diarrhea Virus; (c) any changes in financial, banking or securities markets in general, including any disruption thereof and any decline in the price of any security or any market index or any change in prevailing interest rates; (d) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (e) any action required or permitted by this Agreement or any action taken (or omitted to be taken) with the written consent of or at the written request of Buyer Parties; (f) any changes in applicable Laws or accounting rules (including GAAP) or the enforcement, implementation or interpretation thereof; (g) losses or threatened losses of employees, customers, suppliers, distributors or

others having relationships with Seller Parties and the Business; (h) any natural or man-made disaster or acts of God; or (i) any failure by the Business to meet any internal or published projections, forecasts or revenue or earnings predictions; *provided, further*, that such exclusions from the definition of Material Adverse Effect listed in clauses (a)-(d), (f) or (h) above, in each case, shall not apply to the extent such event, occurrence, fact, condition or change has a disproportionate impact on the Business relative to other Persons engaged in a business similar to the Business.

"Net Closing Cash Payment" has the meaning set forth in Section 1.6.

"Operating Costs" has the meaning set forth in Section 8.7.

"Order" means any order, judgment, injunction, award, decree, ruling, charge, writ, assessment, arbitration award or other requirement of any Governmental Authority.

"Ordinary Course" means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency), *provided, however*, that violations of Law or any failure to comply with Contracts shall not be deemed to be within the Ordinary Course.

"Other Inventory" has the meaning set forth in Section 1.1(b)(vi).

"Owned Real Property" has the meaning set forth in Section 3.6(b)(i).

"Packer Contracts" means that certain Evergreen Procurement Agreement between Tyson Fresh Meats, Inc. and CFFI dated December 24, 2012; and that certain Hog Purchase Contract between JBS USA, LLC and CFFI dated July 1, 2013.

"Parent" has the meaning set forth in the Preamble.

"Party" and "Parties" have the respective meanings set forth in the Preamble.

"Permits" means any License, permit, product registration, approval, certificate, authorization, privilege, immunity, certificate of occupancy, authority, qualification or similar document or authority that has been issued or granted by any Person.

"Permitted Liens" shall mean (a) all Liens specifically approved in writing by Buyer Parties; (b) statutory or contractual Liens arising out of operation of applicable Law with respect to a liability incurred in the Ordinary Course and which is not yet due or delinquent; (c) Liens for Taxes, business improvement district charges, water and sewer charges, and other governmental charges and impositions not yet due and payable nor subject to penalties for nonpayment or are being contested in good faith through appropriate proceedings; (d) mechanics', material men's, carriers', workmen's, warehousemen's, repairmen's, landlords' or other like Liens and security obligations that are not yet due or delinquent; and (e) those Liens set forth on Schedule 11.1(a).

"Person" means any individual, sole proprietorship, partnership, corporation, limited liability company, unincorporated society or association, trust, Governmental Authority or other entity.

"Pre-Closing Tax Period" means any Tax period (or portion thereof) ending on or before the Closing Date, including, for the avoidance of doubt, for any Tax period beginning on or before the Closing Date and ending after the Closing Date, the portion of such period that is before the Closing Date and through and including the Closing Date.

"Proceeding" has the meaning set forth in Section 12.8.

"Property Taxes" has the meaning set forth in Section 9.6(a)(i).

"Proration Statement" has the meaning set forth in Section 9.6(b).

"Real Property" means any and all real property and interests in real property, including the Owned Real Property and the Leased Real Property, and any other real property leaseholds and subleaseholds, purchase options, easements, Licenses, rights to access and rights of way and any other real property.

"Real Property Leases" has the meaning set forth in Section 3.6(b)(ii).

"Records" means, the following written materials, data and records (in whatever form or medium) to the extent in the possession or control of a Seller Party and relating primarily or exclusively to the Business or that are maintained in the Ordinary Course at the Facilities: (a) business records, including customer lists and records and route, rate, hauling, transportation and logistics records; (b) equipment logs; (c) service, warranty and claim records; (d) maintenance records and other documents relating to any Real Property and the Tangible Personal Property; (e) Material Safety Data Sheets or Safety Data Sheets, analytical test data, health and safety studies, engineering reports and studies, environmental reports and studies, research and development results, and other information relating to compliance with Environmental Laws; (f) documents and other information necessary to demonstrate compliance with applicable Laws or Permits, including any inspections results and training records; (g) operating guides and manuals; (h) training manuals; (i) employment, occupational, exposure and medical records of the Business Employees (other than employment records related to any Business Employee that is not offered employment by a Buyer Party, or an Affiliate of a Buyer Party) or that does not accept an offer of employment therefrom); (j) records relating to any inventory; (k) records posted to Seller Parties' electronic data room; and (l) all other documents otherwise used primarily or exclusively in the Business, including marketing, advertising and promotional materials and documents related to any of the Acquired Assets or Assumed Liabilities.

"Release" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, migrating, disposing, abandoning or dumping of a Hazardous Material into the Environment and any condition that results in the exposure of a Person to Hazardous Material.

"Retained Liabilities" has the meaning set forth in Section 1.4.

"Rolling Stock" has the meaning set forth in Section 1.1(b)(vii).

"Rolling Stock Value" means the fair market value, at the Effective Time, of the Rolling Stock.

"Schedule" means any schedule to this Agreement.

"Seller Indemnified Party" has the meaning set forth in Section 10.1(b).

"Seller Party" and "Seller Parties" have the respective meanings set forth in the Preamble.

"Selling Expenses" means all unpaid costs, fees and expenses of outside professionals incurred by Seller Parties relating to the process of selling the assets of each Seller Party, whether incurred in connection with this Agreement or otherwise, including all broker fees and expenses or legal, accounting, tax and investment banking fees and expenses.

"SF" has the meaning set forth in the Preamble.

"SF Acquired Assets" has the meaning set forth in Section 1.1(b).

"SF Acquired Contracts" has the meaning set forth in Section 1.1(b)(ix).

"SF Acquired Permits" has the meaning set forth in Section 1.1(b)(xi).

"SF Purchase Price" has the meaning set forth in Section 1.5(b).

"SFI" has the meaning set forth in the Preamble.

"SFI Acquired Assets" has the meaning set forth in Section 1.1(a).

"SFI Acquired Contracts" has the meaning set forth in Section 1.1(a)(x).

"SFI Acquired Permits" has the meaning set forth in Section 1.1(a)(xi).

"SFI Purchase Price" has the meaning set forth in Section 1.5(a).

"SFI Tangible Personal Property" has the meaning set forth in Section 1.1(a)(xii).

"Shortfall Amount" has the meaning set forth in Section 1.7(a)(iii)(B).

"Software" means all computer software, programs and code, including assemblers, applets, compilers, source code, object code, executable code, net lists, development tools, design tools, user interfaces and data, databases in any form or format, however fixed, and all related documentation.

"Solvent" means, with respect to any Person, that such Person (a) owns and shall own assets the fair saleable value of which are (i) greater than the total amount of its Liabilities (including contingent obligations) and (ii) greater than the amount that shall be required to pay the probable Liabilities of its then existing debts as they become absolute and matured considering all financing alternatives and potential asset sales reasonably available to it; (b) has capital that is not unreasonably small in relation to its business as presently conducted or after giving effect to any contemplated transaction; and (c) does not intend to incur and does not believe that it shall incur debts beyond its ability to pay such debts as they become due.

"Straddle Period" means any Tax period which begins on or before the Closing Date and ends after the Closing Date. With respect to any Property Taxes for Real Property, "Straddle Period" means any fiscal year period beginning on July 1 of a year and ending on June 30 of the following year.

"Subsidiary" means any Person of which at least twenty percent (20%) of the outstanding shares of capital stock or other equity securities or interests having ordinary voting power for the election of directors or comparable managers of such Person are at the time owned by a Seller Party, by one or more directly or indirectly wholly or partially owned subsidiaries of a Seller Party or by a Seller Party and one or more such subsidiaries, whether or not at the time the shares of any other class or classes or other equity interests of such Person have or might have voting power by reason of the happening of any contingency.

"Swine Inventory" means the Colorado Swine Inventory together with the Iowa Swine Inventory.

"Swine Inventory Report" has the meaning set forth in Section 1.7(a)(i).

"Tangible Personal Property" has the meaning set forth in Section 1.1(c)(vi).

"Tax Clearance Certificates" means any tax clearance certificates or similar certificates with respect to Seller from any Taxing Authority.

"Tax" means (a) any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, License, withholding, payroll, employment, withholding, excise, severance, stamp, occupation, premium, personal property, real property, special assessment, environmental or windfall profit tax, custom, duty or other tax, governmental fee or other like assessment or charge of any kind whatsoever, as well as any Liabilities under any state abandonment or unclaimed property, escheat or similar Laws, together with any interest, penalty, addition to tax or additional amount imposed by any Law or Taxing Authority, whether disputed or not, (b) any Liability for the payment of any amounts of any of the foregoing types as a result of being a member of an affiliated, consolidated, combined or unitary group, or being a party to any agreement or arrangement whereby Liability for payment of such amounts was determined or taken into account with reference to the Liability of any other Person and (c) any Liability for the payment of any amounts of the foregoing types as a result of being a transferee or successor under applicable Law, or a party to any agreements or arrangements (whether or not written), or with respect to the payment of any amounts of any of the foregoing types as a result of any express or implied obligation to indemnify any other Person.

"Tax Proceeding" has the meaning set forth in Section 9.3.

"Tax Return" means any return, declaration, report, information return or other document (including schedules or any related or supporting information) filed or required to be filed with any Governmental Authority, including any return, attachment or schedule of an affiliated, consolidated, combined or unitary group, in connection with the determination, assessment or collection of any Tax or the administration of any Laws relating to any Tax.

"Taxing Authority" means any Governmental Authority responsible for the administration, collection or imposition of any Tax.

"Third Party Claim" has the meaning set forth in Section 10.3(b).

"Tipping Basket" has the meaning set forth in Section 10.2(a).

"Title Company" has the meaning set forth in Section 2.1.

"TMSA" has the meaning set forth in Section 2.2(e).

"Total Consideration" has the meaning set forth in Section 1.5(d).

"Transfer Taxes" has the meaning set forth in Section 9.2.

"Treasury Regulations" means the regulations promulgated under the Code by the U.S. Department of the Treasury.

"Truck Washes" has the meaning set forth in the Recitals.

"Unweaned Pig Inventory" has the meaning set forth in Section 1.1(b)(ii).

"U.S." means the United States of America.

"Windfall Amount" has the meaning set forth in Section 1.7(a)(iii)(B).

"Woodford" has the meaning set forth in the Preamble.

"Woodford Acquired Assets" has the meaning set forth in Section 1.1(c).

"Woodford Acquired Contracts" has the meaning set forth in Section 1.1(c)(iii).

"Woodford Acquired Permits" has the meaning set forth in Section 1.1(c)(v).

"Woodford Purchase Price" has the meaning set forth in Section 1.5(c).

ARTICLE 12 MISCELLANEOUS

12.1 Assignment. Neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned by any Party without the prior written consent of the other Parties; *provided, however*, that each Buyer Party may assign this Agreement and any or all rights or obligations hereunder (including Buyer Parties' rights to seek indemnification hereunder) to any Affiliate or Affiliates of a Buyer Party or any Person or Persons to which a Buyer Party or any of its Affiliates sells, transfers, assigns or delegates all or any portion of the Acquired Assets, Assumed Liabilities or Business. Upon any such permitted assignment, the references in this Agreement to the assignor Buyer Party shall also apply to any such assignees unless the context otherwise requires. The Parties may, prior to the Closing, assign or exchange their respective rights (but not their respective obligations) under this Agreement to a Qualified Intermediary, as provided in Treasury Regulation 1.1031(k) – 1(g), provided that Seller Parties will bear and remain liable and responsible for any such assignment or exchange, including all costs, fees and charges associated therewith.

12.2 Headings. The headings contained in this Agreement are included for purposes of convenience only and do not affect the meaning or interpretation of this Agreement.

12.3 Integration, Modification and Waiver. This Agreement, together with any Schedules delivered hereunder and (when executed) the Ancillary Agreements and any side letters, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior understandings of the Parties. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by Buyer Parties and Seller Parties. No waiver of any of the provisions of this Agreement shall be deemed to be or shall constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver.

12.4 Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute or Law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. Unless the context clearly indicates otherwise: (a) each definition herein includes the singular and the plural, (b) each reference herein to any gender includes the masculine, feminine and neuter where appropriate, (c) the words "include" and "including" and variations thereof shall not be deemed terms of limitation, but rather shall be deemed to be followed by the words "without limitation," (d) the words "hereof," "herein," "hereto," "hereby," "hereunder" and derivative or similar words refer to this Agreement as an entirety and not solely to any particular provision of this Agreement, (e) the word "extent" in the phrase "to the extent" means the degree to which a subject or other thing extends, and such phrase does not mean simply "if," (f) each reference in this Agreement to a particular Article, Section or Schedule means an Article or Section of, or a Schedule

to, this Agreement, unless another agreement is specified, (g) unless otherwise specified, any definition of or reference to any agreement, instrument, document, statute or regulation herein shall be construed as referring to such agreement, instrument, document, statute or regulation as it may from time to time be amended, supplemented or otherwise modified, (h) any accounting term not defined herein shall have the meaning ascribed to it under GAAP and (i) all references to "\$" or "Dollars" shall mean U.S. Dollars.

12.5 Severability. Subject to Section 8.1(d), if any provision of this Agreement or the application of any provision of this Agreement to any Party or circumstance is, to any extent, adjudged invalid or unenforceable, the application of the remainder of such provision to such Party or circumstance, the application of such provision to other Parties or circumstances, and the application of the remainder of this Agreement shall not be affected thereby.

12.6 Notices. All notices and other communications required or permitted under this Agreement must be in writing and shall be deemed to have been duly given and delivered (a) when delivered in person, (b) one Business Day after having been dispatched by a nationally recognized overnight courier service or (c) upon tender by the U.S. Post Office after being sent by registered or certified mail, return receipt requested, postage prepaid, to the appropriate Party at the following address or facsimile number:

If to a Seller Party:

Christensen Farms & Feedlots, Inc.
23971 County Road 10
Sleepy Eye, MN 56085
Attention: Glenn Stolt

with a copy to (which shall not constitute notice):

Gislason & Hunter, LLP
2700 S. Broadway
New Ulm, MN 56073
Attention: Gary Koch

If to SFI or SF:

c/o Seaboard Corporation
9000 W. 67th Street
Merriam, Kansas 66202
Attention: Chief Financial Officer

with a copy to (which shall not constitute notice):

c/o Seaboard Corporation
9000 W. 67th Street
Merriam, Kansas 66202
Attention: General Counsel

If to Woodford:

Stephen Summerlin
9000 W. 67th Street, Suite 200
Merriam, Kansas 66202

Any Party may change its address, electronic mail address for the purposes of this Section 12.6 by giving notice to the other Parties as provided in this Agreement.

12.7 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the Laws of the State of Iowa without regard to principles of conflicts of law.

12.8 Jurisdiction and Venue; Prevailing Parties. Each of the Parties hereby irrevocably and unconditionally, for itself and its property, submits to the exclusive jurisdiction of the U.S. federal or state courts sitting in the State of Iowa, and any appellate court from any thereof, in any judicial proceeding brought against any of the Parties in connection with any dispute (each a "Proceeding") and agrees that all claims in respect of any such Proceeding may be heard and determined in any such court, and each of the Parties hereby irrevocably and unconditionally (a) agrees not to commence any such Proceeding or other Action except in the U.S. federal or state courts sitting in the State of Iowa, (b) agrees that any claim in respect of any such Proceeding may be heard and determined in the U.S. federal or state courts sitting in the State of Iowa, and any appellate court from any thereof, (c) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such Proceeding in the U.S. federal or state courts sitting in the State of Iowa, and (d) waives, to the fullest extent it may legally and effectively do so, the defense of an inconvenient forum to the maintenance of such Proceeding in the U.S. federal or state courts sitting in the State of Iowa. In the event of any Proceeding under this Agreement, the prevailing Party shall be entitled to recover its attorneys' fees and court costs from the other Party. A judgment in any Proceeding may be enforced in any jurisdiction by suit on the judgment or in any other manner provided by Law.

12.9 Waiver of Jury Trial. EACH OF THE PARTIES WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY ANCILLARY AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT OR ACTION OF ANY PARTY, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. EACH OF THE PARTIES HEREBY AGREES THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

12.10 Specific Performance. Each Party acknowledges and agrees that the subject matter of this Agreement, including the assets and properties of the Business, is unique, that the other Parties would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached, and that the remedies at Law would not be adequate to compensate such other Parties not in default or in breach. Accordingly, each Party agrees that the other Parties shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions of this Agreement in addition to any other remedy to which they may be entitled, at Law or in equity. The Parties waive any defense that a remedy at Law is adequate and any requirement to post bond or provide similar security in connection with actions instituted for injunctive relief or specific performance of this Agreement.

12.11 No Third Party Beneficiaries. Except for the rights and remedies available to any Buyer Indemnified Party or Seller Indemnified Party pursuant to Article 10, this Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns and nothing herein express or implied

shall give or be construed to give to any Person, other than the Parties and such respective successors and permitted assigns, any legal or equitable right or remedy of any nature whatsoever hereunder.

12.12 Counterparts. This Agreement and any Ancillary Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement and any Ancillary Agreement, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile transmission or as an attachment to an electronic mail message in "pdf" or similar format, shall be treated in all manners and respects as an original agreement or instrument and shall be considered to have the same and binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any Ancillary Agreement, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties.

12.13 Disclosure Schedules. No representation or warranty of Seller Parties contained in Article 3 shall be deemed untrue or incorrect, and Seller Parties shall not be deemed to have breached any such representation or warranty, as a consequence of the existence of any fact, circumstance or event of which is expressly disclosed in the Schedules to Article 3, subject to the following sentence. The information contained in the Schedules to Article 3 constitutes exceptions to the applicable representations and warranties contained in Article 3 only so long as a Schedule with respect to such representation and warranties contains an explicit and express reference to the representation or warranty for which an exception is intended to apply.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective as of the day and year first above written.

CHRISTENSEN FARMS & FEEDLOTS, INC.
a Minnesota corporation

By: /s/ Glenn Stolt
Name: Glenn Stolt
Title: President and Chief Executive Officer

CHRISTENSEN FARMS MIDWEST, LLC
a Minnesota limited liability company

By: /s/ Glenn Stolt
Name: Glenn Stolt
Title: President and Chief Executive Officer

SEABOARD FOODS OF IOWA, LLC
a Delaware limited liability company

By: /s/ Terry J. Holton
Name: Terry J. Holton
Title: President

SEABOARD FOODS LLC
an Oklahoma limited liability company

By: /s/ Terry J. Holton
Name: Terry J. Holton
Title: President and Chief Executive Officer

WOODFORD CREEK FARMS LLP
an Iowa limited liability partnership

By: /s/ Stephen G. Summerlin
Name: Stephen G. Summerlin
Title: President and Chief Executive Officer

EXHIBITS TO THE ASSET PURCHASE AGREEMENT

Following is a list of the Exhibits to the Asset Purchase Agreement, which are omitted from the Asset Purchase Agreement which is filed with the Securities and Exchange Commission ("SEC"). Seaboard Corporation ("Seaboard") undertakes to provide to the SEC the Exhibits, as requested, subject to Seaboard's right to request confidential treatment under the Freedom of Information Act.

Exhibit A	Pig Inventory Value Methodology
Exhibit B	Form of Bill of Sale
Exhibit C	Form of Assignment and Assumption Agreement
Exhibit D	Form of Transition Management Support and Services Agreement
Exhibit E	Form of Assignment of Easements
Exhibit F	Form of FIRPTA Certificates

FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

This First Amendment to Asset Purchase Agreement (this "Amendment") is made and entered into this 6th day of February, 2016, by and among Seaboard Foods of Iowa, LLC, a Delaware limited liability company ("SFI"), Seaboard Foods LLC, an Oklahoma limited liability company ("SF"), Woodford Creek Farms LLP, an Iowa limited liability partnership ("Woodford" and, together with SFI and SF, "Buyer Parties" and each individually a "Buyer Party"), Christensen Farms & Feedlots, Inc., a Minnesota corporation ("CFFI"), and Christensen Farms Midwest, LLC, a Minnesota limited liability company ("CFM" and, together with CFFI, "Seller Parties" and each individually a "Seller Party"). Each Seller Party and Buyer Party is sometimes individually referred to as a "Party," and they are sometimes collectively referred to as the "Parties."

WHEREAS, the Parties wish to amend certain provisions and schedules of that certain Asset Purchase Agreement, dated January 26, 2016, by and among the Parties (the "Agreement") as set forth below.

NOW, THEREFORE, in consideration of the terms, conditions and covenants contained herein, the parties mutually agree to amend the terms and conditions of the Agreement as follows:

1. All capitalized terms not defined herein have the meanings assigned to them in the Agreement.

2. Acquired Assets Purchased by SFI.

a. The parties amend and restate Section 1.1(a)(i) of the Agreement in its entirety as follows:

"the real property owned by Seller Parties and comprising the CFF Sites located in Colorado, as more specifically identified and described on Schedule 1.1(a)(i), together with all Improvements located thereon and all easements (other than the Effluent Easements), rights-of-way, water rights, oil, gas and mineral rights, wells, all other rights appurtenant thereto and all zoning rights, air rights and development rights, in each case, relating to CFF Sites located in Colorado;"

b. The parties amend and restate Section 1.1(a)(x) of the Agreement in its entirety as follows:

"all of Seller Parties' rights and incidents of interest in, to and under the Contracts set forth on Schedule 1.1(a)(x)(1), including the contractor-producer Contracts related to the Contract Producer Sites identified and described on Schedule 1.1(a)(x)(2), the lease Contracts related to the leased Iowa Rolling Stock, and the effluent and manure spreading agreements related to the CFF Sites located in Colorado (collectively, the "SFI Acquired Contracts");"

c. The parties amend and restate Section 1.1(a)(xii) of the Agreement in its entirety as follows:

"all fixed assets, equipment, machinery, inventory, fixtures, furniture, computers and Software on the computers necessary to operate such hardware at the Facilities, tools, spare parts, supplies and other tangible personal property owned or leased by a Seller Party, in each case, that is (A) located at the Facilities in Colorado, (B) located at the Feed Mill, (C) located at a Truck Wash, (D) located at the Bloomfield, Iowa office, (E) identified in Schedule 1.1(a)(xii) or Schedule 1.1(b)(viii), or (F) used or held for use primarily or exclusively in connection with the Business located in Colorado (the "SFI Tangible Personal Property");"

d. The parties add the following as Section 1.1(a)(xvii) of the Agreement:

"all of Seller Parties' rights and incidents of interest in, to and under the easements set forth on Schedule 1.1(b)(x) (collectively, the "Colorado Effluent Easements");"

3. Acquired Assets Purchased by SF.

a. The parties amend and restate Section 1.1(b)(i) of the Agreement in its entirety as follows:

“[Intentionally Omitted]”

b. The parties amend and restate Section 1.1(b)(viii) of the Agreement in its entirety as follows:

“[Intentionally Omitted]”

c. The parties amend and restate Section 1.1(b)(ix) of the Agreement in its entirety as follows:

“all of Seller Parties' rights and incidents of interest in, to and under the Contracts (in each case, other than the Colorado Effluent Easements) set forth on Schedule 1.1(b)(ix), including the lease Contracts related to the leased Colorado Rolling Stock (collectively, the "SF Acquired Contracts");”

d. The parties amend and restate Section 1.1(b)(x) of the Agreement in its entirety as follows:

“[Intentionally Omitted]”

4. Acquired Assets Purchased by Woodford.

a. The parties amend Section 1.1(c)(vi) of the Agreement by deleting all references to the “Colorado Tangible Personal Property.”

5. Total Consideration.

a. The parties amend and restate Section 1.5(a)(i) of the Agreement in its entirety as follows:
“\$21,620,412, *plus.*”

b. The parties amend and restate Section 1.5(b)(i) of the Agreement in its entirety as follows:
“\$44,500, *plus.*”

6. Definitions.

a. The Parties hereby delete the defined term and definition of “Colorado Tangible Personal Property” from Section 11.1 of the Agreement.

b. The Parties hereby amend and restate the definition of “Colorado Effluent Easements” in Section 11.1 of the Agreement in its entirety as follows:

“Colorado Effluent Easements” has the meaning set forth in Section 1.1(a)(xvii).”

7. Exhibit A. The Parties hereby amend and restate Exhibit A to the Agreement in its entirety and replace it with the Exhibit A attached hereto as Schedule 1.

8. Schedules to the Agreement. The Parties hereby amend and restate the Schedules to the Agreement in their entirety and replace them with the Schedules attached hereto as Schedule 2.

9. This Amendment amends and modifies the Agreement only to the extent of the items expressly noted herein. Except for those items expressly modified, deleted or amended herein, all the terms, conditions, covenants and warranties contained in the Agreement are ratified as of the date hereof, are incorporated herein by this reference and remain in full force and effect, unaltered and unchanged by this Amendment.

10. This Amendment and the Agreement shall be binding upon the legal representatives, successors and assigns of the parties hereto.

11. The parties acknowledge and agree that any further modification, deletion, amendment or extension of the Agreement shall be the subject of separate negotiations between the parties, and that the Agreement and this Amendment shall not be further modified or extended, except by written instrument executed by all parties hereto.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Amendment effective as of the day and year first above written.

CHRISTENSEN FARMS & FEEDLOTS, INC.
a Minnesota corporation

By: /s/ Glenn Stolt
Name: Glenn Stolt
Title: President and Chief Executive Officer

CHRISTENSEN FARMS MIDWEST, LLC
a Minnesota limited liability company

By: /s/ Glenn Stolt
Name: Glenn Stolt
Title: President and Chief Executive Officer

SEABOARD FOODS OF IOWA, LLC
a Delaware limited liability company

By: /s/ Terry J. Holton
Name: Terry J. Holton
Title: President

SEABOARD FOODS LLC
an Oklahoma limited liability company

By: /s/ Terry J. Holton
Name: Terry J. Holton
Title: President and Chief Executive Officer

WOODFORD CREEK FARMS LLP
an Iowa limited liability partnership

By: /s/ Stephen G. Summerlin
Name: Stephen G. Summerlin
Title: President and Chief Executive Officer

SCHEDULES TO THE FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

Following is a list of the Schedules to the First Amendment to Asset Purchase Agreement, which are omitted from the First Amendment to Asset Purchase Agreement which is filed with the Securities and Exchange Commission ("SEC"). Seaboard Corporation ("Seaboard") undertakes to provide to the SEC the Exhibits, as requested, subject to Seaboard's right to request confidential treatment under the Freedom of Information Act.

Schedule 1	Exhibit A to the Agreement
Schedule 2	Schedules to the Agreement

SUBSIDIARIES OF THE REGISTRANT	NAMES UNDER WHICH SUBSIDIARIES DO BUSINESS	STATE OR OTHER JURISDICTION OF INCORPORATION
All Staple Food, S.A.	ASTA Food	Republic of Congo
Africa Poultry Development Limited*	Same	Mauritius
Agencias Generales Conaven, C.A.	Conaven	Venezuela
Agencia Maritima del Istmo, S.A.	Same	Costa Rica
Akdeniz Yaglari Sanayi ve Ticaret A.S.*	Same	Turkey
Alconoa S.R.L.	Same	Argentina
Bag Yagları Sanayi ve Ticaret A.S.*	Same	Turkey
Bagin Yag Sanayi Tesisleri Imalat ve Isletmeciligi Ticaret A.S.*	Same	Turkey
BB Colorado Holdings LLC	Same	Colorado
Belarina Alimentos S.A.*	Same	Brazil
BINA Congo Limited*	Same	Bermuda
Bolux Group (Proprietary) Limited*	Same	Botswana
Butterball, LLC*	Same	North Carolina
Cape Fear Railways, Inc.	Same	North Carolina
Caravel Holdings LLC	Same	Delaware
Cayman Freight Shipping Services, Ltd.*	Same	Cayman Islands
Cereoil Uruguay S.A.*	Same	Uruguay
Chestnut Hill Farms Honduras, S. de R.L. de C.V.	Same	Honduras
Compania Industrial de Productos Agropecuarios S.A.*	CIPA	Colombia
Congo Poultry SPRL*	Same	Democratic Republic of Congo
ContiLatin del Peru S.A.*	Same	Peru
Corporacion Alto Valle, S.A.S.	ALVASA	Dominican Republic
Daily's Premium Meats, LLC*	Same	Delaware
Dalian Sino Fortune Trading Co., Ltd.	Same	China
Delta Packaging Company Ltd.*	Same	Nigeria
Ecuador Holdings, Ltd*	Same	Bermuda
Eureka Chickens Limited*	Same	Zambia
Eurogerm South Africa (Pty) Ltd.*	Same	Republic of South Africa
Fairfield Rice Inc.*	Same	Guyana
Fill-More Seeds Inc.	Same	Sa
Flour Mills of Ghana Limited	Same	Ghana
Franquicias Azucareras S.A.*	Same	Argentina
Gambia Milling Corporation Limited*	Same	The Gambia
Glorigde Bakery (PTY) Limited*	Same	Republic of South Africa
Granos Peruanos del Norte S.A.*	Same	Peru
Grassmere Holdings Limited*	Same	Mauritius
Green Island Maritime, Inc.	Same	Florida
High Plains Bioenergy, LLC	Same	Oklahoma
High Plains Transport LLC	Same	Oklahoma

SUBSIDIARIES OF THE REGISTRANT	NAMES UNDER WHICH SUBSIDIARIES DO BUSINESS	STATE OR OTHER JURISDICTION OF INCORPORATION
HPB Biodiesel Inc.	Same	Oklahoma
Hybrid Poultry (Mauritius) Limited*	Same	Mauritius
H and O Shipping Limited ¹	Same	Liberia
I.A.G. (Zambia) Limited	Same	Zambia
Ingenio y Refineria San Martin del Tabacal S.R.L.	Tabacal	Argentina
InterAfrica Grains Ltd.	Same	Bermuda
InterAfrica Grains (Proprietary) Limited	Same	Republic of South Africa
Interra International, LLC*	Same	Delaware
Inversiones y Servicios Diversos, S.A.	INVERSA	Guatemala
JacintoPort International LLC	Same	Texas
Jamaica Grains and Cereals Limited*	Same	Jamaica
JP LP, LLC	Same	Delaware
Kenchic Limited*	Same	Kenya
Kenya Poultry Development Limited*	Same	Mauritius
Kingston Wharves Limited*	Same	Jamaica
La Compania de Electricidad de San Pedro de Macoris*	CESPM	Cayman Islands
Les Moulins d'Haiti S.E.M.*	Same	Haiti
Lesotho Flour Mills Limited*	Same	Lesotho
Life Flour Mill Limited.*	Same	Nigeria
LMM Farine S.A.	Same	Madagascar
Maple Creek Farms, LLC	Same	Kansas
Merriam Financial Services, Ltd.	Same	Bermuda
Merriam International Finance B.V.	Same	The Netherlands
Minoterie de Matadi, S.A.*	Midema	Democratic Republic of Congo
Minoterie du Congo, S.A.	Minoco	Republic of Congo
Mission Funding, L.L.C.	Same	Delaware
Mission Insurance Corporation	Same	Oklahoma
Moderna Alimentos, S.A.*	Same	Ecuador
Molinos Champion, S.A.*	MOCHASA	Ecuador
Mount Dora Farms de Honduras, S.R.L.	Same	Honduras
Mount Dora Farms Inc.	Same	Florida
National Milling Company of Guyana, Inc.	Namilco	Guyana
National Milling Corporation Limited	Same	Zambia
Paramount Mills (Pty) Ltd.*	Same	Republic of South Africa
Plum Grove Pty Ltd.*	Same	Australia
Productores de Alcoholes y Melaza S.A.*	PAMSA	Argentina
Productos Alimenticios Nutradeli Ecuador S.A.*	Same	Ecuador
PS International Canada Corp.	Same	Nova Scotia
PS International India Private Limited	Same	India
PS International, LLC	Same	Delaware
PSS Commodities, S. de R.L. de C.V.	Same	Mexico

SUBSIDIARIES OF THE REGISTRANT	NAMES UNDER WHICH SUBSIDIARIES DO BUSINESS	STATE OR OTHER JURISDICTION OF INCORPORATION
Rafael del Castillo & Cia. S.A.*	Molinos Tres Castillos	Colombia
RCF 3 IM4, LLC	Same	Delaware
Refined Coal Holdings 2, LLC	Same	Kansas
Representaciones Maritimas y Aereas, S.A.	REMARSA	Guatemala
RussellStone Protein (Pty) Ltd.*	Same	Republic of South Africa
SeaGrain Company	Same	Nova Scotia
Sea Cargo, S.A.	Same	Panama
Seaboard Bulk Services, Ltd.	Same	Bermuda
Seaboard de Colombia, S.A.	Same	Colombia
Seaboard de Mexico USA LLC ²	Same	Delaware
Seaboard de Nicaragua, S.A.	Same	Nicaragua
Seaboard del Peru, S.A.	Same	Peru
Seaboard Farms of Athens, Inc.	Same	Kansas
Seaboard Farms of Elberton, Inc.	Same	Kansas
Seaboard Foods LLC	Same	Oklahoma
Seaboard Foods of Iowa, LLC	Same	Delaware
Seaboard Foods of Missouri, Inc.	Same	Missouri
Seaboard Freight & Shipping Jamaica Limited	Same	Jamaica
Seaboard Ghana Ltd.	Same	Bermuda
Seaboard Guyana Ltd.	Same	Bermuda
Seaboard Honduras, S. de R.L. de C.V.	Same	Honduras
Seaboard Marine Bahamas, Ltd.	Same	Bahamas
Seaboard Marine of Haiti, S.A.	Same	Haiti
Seaboard Marine Ltd. ³	Same	Liberia
Seaboard Marine of Florida, Inc.	Same	Florida
Seaboard Marine (Trinidad) Limited*	Same	Trinidad
Seaboard Minoco Ltd.	Same	Bermuda
Seaboard MOZ Limited	Same	Bermuda
Seaboard Overseas Colombia Limitada	Same	Colombia
Seaboard Overseas (IOM) Ltd.	Same	Isle of Man
Seaboard Overseas (Kenya) Limited	Same	Kenya
Seaboard Overseas Limited	Same	Bermuda
Seaboard Overseas Management Company, Ltd.	Same	Bermuda
Seaboard Overseas Singapore Pte. Ltd.	Same	Singapore
Seaboard Overseas Trading and Shipping (PTY) Ltd.	Same	South Africa
Seaboard Power Management Inc.	Same	Florida
Seaboard Solutions de Honduras, S.de R.L.	Same	Honduras
Seaboard Solutions, Inc.	Same	Delaware
Seaboard Trading and Shipping, Ltd.	Same	Kansas
Seaboard Transport Canada, Inc.	Same	Delaware

SUBSIDIARIES OF THE REGISTRANT	NAMES UNDER WHICH SUBSIDIARIES DO BUSINESS	STATE OR OTHER JURISDICTION OF INCORPORATION
Seaboard Transport LLC	Same	Oklahoma
Seaboard Triumph Foods, LLC*	Same	Delaware
Seaboard Zambia Ltd.	Same	Bermuda
SEADOM, S.A.S.	Same	Dominican Republic
SeaFin Holdings Limited	Same	Bermuda
SeaMaritima, S.A. de C.V.	Same	Mexico
SeaRice Guyana, Inc.	Same	Guyana
SeaRice Limited	Same	Bermuda
Secuador Limited	Same	Bermuda
SEEPC (Nigeria) Ltd.*	Same	Nigeria
Sermarin Servicios Maritimos Intermodales, C.A.	Same	Venezuela
Shawnee Funding, Limited Partnership	Same	Delaware
Shawnee GP LLC	Same	Delaware
Shawnee Leasing LLC	Same	Oklahoma
Shawnee LP LLC	Same	Delaware
Shilton Limited	Same	Cayman Islands
Shilton Zambia, Ltd.*	Same	Zambia
Societe Africaine de Developpement Industrielle Alimentaire*	SADIA	Democratic Republic of Congo
SSI Ocean Services, Inc.	Same	Florida
Stewart Southern Railway Inc.*	Same	Saskatchewan
Tanbreed Limited*	Same	Mauritius
TanFed Holdings Limited	Same	Mauritius
T-S Shared Operations, LLC*	Same	Missouri
TFL Life Foods Limited*	Same	Nigeria
Transcontinental Capital Corp. (Bermuda) Ltd.	TCCB	Bermuda
Unga Farmcare (East Africa) Limited*	Same	Kenya
Unga Holdings Limited*	Same	Kenya
Unga Limited*	Same	Kenya
Unga Millers (Uganda) Limited*	Same	Uganda
United African Grain Limited	Same	Zambia
Zenith Investment Limited*	Same	Nigeria

¹ Owns eight foreign ship holding company subsidiaries

² Owns three Mexican incorporated subsidiaries

³ Owns two foreign ship holding company subsidiaries

* Represents a non-controlled, non-consolidated affiliate.

CERTIFICATIONS

I, Steven J. Bresky, certify that:

1. I have reviewed this annual report on Form 10-K of Seaboard Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: February 25, 2016

/s/ Steven J. Bresky
Steven J. Bresky, President and Chief Executive Officer

CERTIFICATIONS

I, Robert L. Steer, certify that:

1. I have reviewed this annual report on Form 10-K of Seaboard Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: February 25, 2016

/s/ Robert L. Steer

Robert L. Steer, Executive Vice President, Chief
Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION. 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (the Report) by Seaboard Corporation (the Company), the undersigned, as the Chief Executive Officer of the Company, hereby certifies pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2016

/s/ Steven J. Bresky
Steven J. Bresky, President and Chief Executive Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION. 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (the Report) by Seaboard Corporation (the Company), the undersigned, as the Chief Financial Officer of the Company, hereby certifies pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2016

/s/ Robert L. Steer

Robert L. Steer, Executive Vice President, Chief
Financial Officer



BUTTERBALL, LLC

Financial Statements

January 3, 2016 and December 28, 2014

(With Independent Auditors' Report Thereon)



KPMG LLP
Suite 1200
150 Fayetteville Street
Raleigh, NC 27601

Independent Auditors' Report

The Board of Directors
Butterball, LLC:

We have audited the accompanying financial statements of Butterball, LLC, which comprise the balance sheets as of January 3, 2016 and December 28, 2014, and the related statements of comprehensive income (loss), members' equity, and cash flows for each of the years ended January 3, 2016, December 28, 2014 and December 29, 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Butterball, LLC as of January 3, 2016 and December 28, 2014, and the results of its operations and its cash flows for each of the years ended January 3, 2016, December 28, 2014 and December 29, 2013, in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Raleigh, North Carolina
February 12, 2016

KPMG LLP is a Delaware limited liability partnership,
the U.S. member firm of KPMG International Cooperative
("KPMG International"), a Swiss entity

BUTTERBALL, LLC

Balance Sheets

(In thousands)

	January 3, 2016	December 28, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 162,322	125,438
Accounts receivable, less allowance for doubtful accounts of \$1,971 and \$3,060 at January 3, 2016 and December 28, 2014, respectively	93,089	116,089
Other receivables	6,573	8,262
Inventories	277,142	276,728
Other current assets	14,563	5,199
Total current assets	553,689	531,716
Net property, plant and equipment	319,840	273,043
Other assets:		
Trade names	111,000	111,000
Goodwill	73,667	73,667
Intangible assets with finite lives	6,068	8,931
Other assets	22,717	22,825
Total other assets	213,452	216,423
Total assets	\$ 1,086,981	1,021,182
Liabilities and Members' Equity		
Current liabilities:		
Accounts payable	\$ 68,175	76,145
Accrued expenses	88,349	65,934
Current maturities of long-term debt	6,724	29,789
Total current liabilities	163,248	171,868
Long-term debt, less current maturities	193,164	200,870
Notes payable – Members, net of debt discount	165,939	148,865
Pension plan liability	4,406	8,958
Other liabilities	14,112	16,837
Total liabilities	540,869	547,398
Members' equity:		
Members' equity	551,536	479,224
Accumulated other comprehensive loss	(5,424)	(5,440)
Total Members' equity	546,112	473,784
Total liabilities and Members' equity	\$ 1,086,981	1,021,182

See accompanying notes to financial statements.

BUTTERBALL, LLC

Statements of Comprehensive Income (Loss)

(In thousands)

	Years ended		
	January 3, 2016	December 28, 2014	December 29, 2013
Net sales	\$ 1,901,805	1,833,141	1,729,568
Cost of goods sold	1,557,401	1,578,502	1,626,766
Gross profit	344,404	254,639	102,802
Selling and marketing expenses	62,993	59,728	52,696
General and administrative expenses	50,406	53,921	45,214
Operating income	231,005	140,990	4,892
Net finance expense	9,919	13,894	3,303
Related party finance expense	27,088	24,370	22,907
Other income	(1,309)	(1,404)	(1,762)
Net income (loss)	195,307	104,130	(19,556)
Other comprehensive income (loss):			
Unrecognized actuarial gain (loss) of defined benefit plan, net of amounts included in net periodic benefit cost (income)	16	(8,729)	12,961
Comprehensive income (loss)	\$ 195,323	95,401	(6,595)

See accompanying notes to financial statements.

BUTTERBALL, LLC

Statements of Members' Equity

(In thousands)

	Members' equity	Accumulated other comprehensive income (loss)	Total
Members' equity – December 30, 2012	\$ 438,326	(9,672)	428,654
Distributions to Members	(19,636)	—	(19,636)
Net loss	(19,556)	—	(19,556)
Unrecognized actuarial gain of defined benefit plan	—	12,961	12,961
Members' equity – December 29, 2013	399,134	3,289	402,423
Distributions to Members	(24,040)	—	(24,040)
Net income	104,130	—	104,130
Unrecognized actuarial loss of defined benefit plan	—	(8,729)	(8,729)
Members' equity – December 28, 2014	479,224	(5,440)	473,784
Distributions to Members	(122,995)	—	(122,995)
Net income	195,307	—	195,307
Unrecognized actuarial gain of defined benefit plan	—	16	16
Members' equity – January 3, 2016	<u>\$ 551,536</u>	<u>(5,424)</u>	<u>546,112</u>

See accompanying notes to financial statements.

BUTTERBALL, LLC

Statements of Cash Flows

(In thousands)

	Years ended		
	January 3, 2016	December 28, 2014	December 29, 2013
Cash flows from operating activities:			
Net income (loss)	\$ 195,307	104,130	(19,556)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation	36,695	33,185	32,545
Amortization	4,815	4,711	4,583
(Gain) loss on disposition of property, plant and equipment	180	(85)	304
Paid-in-kind interest and accretion on notes payable – Members	17,148	15,178	13,452
Impairment of long-lived assets	—	—	6,974
Changes in operating assets and liabilities:			
Accounts receivable	23,000	(18,549)	(11,772)
Inventories	(14)	25,220	(3,005)
Other current assets	(7,675)	1,444	(1,440)
Other assets	(1,844)	(1,645)	(3,249)
Accounts payable	(7,970)	7,523	(19,751)
Accrued expenses	22,015	16,188	(7,098)
Other liabilities	(7,261)	259	980
Net cash provided (used) by operating activities	<u>274,396</u>	<u>187,559</u>	<u>(7,033)</u>
Cash flows from investing activities:			
Proceeds from sales of property, plant and equipment	297	6,007	790
Purchases of property, plant and equipment	(83,969)	(41,960)	(36,711)
Acquisition of business	—	—	(73,736)
Net cash used by investing activities	<u>(83,672)</u>	<u>(35,953)</u>	<u>(109,657)</u>
Cash flows from financing activities:			
Net (payments) proceeds in revolving line of credit	(24,000)	2,000	6,000
Proceeds of long-term debt	—	—	201,500
Payments of long-term debt	(6,771)	(5,760)	(132,390)
Debt issuance costs	—	—	(2,376)
Proceeds of notes payable – Members	—	—	81,231
Payments of notes payable – Members	(74)	(1,300)	(81,396)
Distributions to Members	(122,995)	(24,040)	(19,636)
Net cash (used) provided by financing activities	<u>(153,840)</u>	<u>(29,100)</u>	<u>52,933</u>
Net increase (decrease) in cash and cash equivalents	36,884	122,506	(63,757)
Cash and cash equivalents – beginning of year	125,438	2,932	66,689
Cash and cash equivalents – end of year	<u>\$ 162,322</u>	<u>125,438</u>	<u>2,932</u>
Supplementary disclosures of cash flow information:			
Cash paid during the year for interest	\$ 14,624	16,809	16,248

See accompanying notes to financial statements.

BUTTERBALL, LLC

Notes to Financial Statements

January 3, 2016 and December 28, 2014

(In thousands)

(1) Summary of Significant Accounting Policies

(a) *Description of Business and Basis of Presentation*

Butterball, LLC (Butterball or the Company) is a limited liability company organized in the State of North Carolina. Tracing its roots back to 1954 and headquartered in Garner, North Carolina, Butterball is a vertically integrated producer, processor, and marketer of branded and nonbranded turkey and pork products. From seven facilities located across the United States, the Company produces a diverse portfolio of premium, value-added turkey and pork products and commodity turkey products that are distributed through retail, foodservice, industrial, and international channels.

The Company is owned and operated as a joint venture by Maxwell Farms, LLC (50% and an affiliate of Goldsboro Milling Company (Maxwell)), and BB Kansas Holdings, Inc. (50% and an affiliate of Seaboard Corporation (Seaboard)), (together, the Members).

Butterball prepares its financial statements in accordance with accounting principles generally accepted in the United States (U.S. GAAP), which require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements, and such differences could be material.

(b) *Business Environment*

Integrated turkey and nonintegrated pork processors operate in an environment where in the commodity nature of both their products for sale and their primary raw materials cause sales prices and purchase costs to fluctuate, often on a short-term basis, due to the worldwide supply and demand situation for those commodities. The supply and demand factors for their products for sale and the supply and demand factors for their primary raw materials correlate to a degree, but are not the same, thereby causing margins between sales price and production costs to increase, decrease, or invert, often on a short-term basis.

(c) *Fiscal Year*

The Company follows a 52/53-week fiscal year that ends the Sunday closest to December 31st. The fiscal periods reflected in the accompanying financial statements consist of the periods December 29, 2014 to January 3, 2016, a 53-week fiscal year, December 30, 2013 to December 28, 2014, and December 31, 2012 to December 29, 2013, both 52-week fiscal years.

(d) *Cash Equivalents*

For purposes of the statement of cash flows, the Company considers all instruments purchased with an original maturity of three months or less to be cash equivalents.

BUTTERBALL, LLC

Notes to Financial Statements

January 3, 2016 and December 28, 2014

(In thousands)

(e) Accounts Receivable

Accounts receivable consist of credit extended to the Company's customers in the normal course of business and are reported net of an allowance for doubtful accounts. The Company reviews its customer accounts on a periodic basis and records bad debt expense for specific amounts that the Company evaluates as uncollectible. Past due status is determined based upon contractual terms. Amounts are written off at the point when collection attempts have been exhausted. Management uses significant judgment in estimating uncollectible amounts, considering such factors as current economic conditions and historic and anticipated customer performance. In addition, if needed, the Company provides an allowance for potentially uncollectible amounts that have not been specifically identified. While management believes the Company's processes effectively address its exposure to doubtful accounts, changes in economic, industry or specific customer conditions may require adjustment to the allowance recorded by the Company. Management has included amounts believed to be uncollectible, as well as short pays and deductions incurred in the normal course of business, in the allowance for doubtful accounts.

(f) Inventories

Processed meat inventories (finished product) are stated at the lower of actual cost or market. Live turkey inventory is valued at the total cost accumulated on the flock as of the end of the fiscal year. Accumulated cost includes poult cost, feed, supplies and other costs related to individual flocks. Grain inventories, supplies and other materials are stated at the lower of cost (weighted average cost) or market.

(g) Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is calculated using the straight-line method over the useful lives of the assets. Gains and losses from disposition of property, plant and equipment are included in cost of sales.

The estimated useful lives are as follows:

Site improvements	10–25 years
Buildings	15–40 years
Water utility systems	10–20 years
Equipment	1–15 years
Furniture, fixtures and office equipment	1–10 years
Vehicles	1–5 years

BUTTERBALL, LLC

Notes to Financial Statements

January 3, 2016 and December 28, 2014

(In thousands)

(h) *Long-Lived Assets*

The Company reviews the carrying value of long-lived assets for impairment whenever triggering events or changes in circumstances indicate that the carrying amount of any asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If a triggering event or changes in circumstances occur, the impairment to be recognized is measured by the excess of the carrying amount over the fair value of the assets.

(i) *Goodwill and Other Intangible Assets*

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in a transaction accounted for as a business combination. The fair value of identifiable intangible assets is estimated based upon discounted future cash flow projections. Intangible assets with finite lives are amortized over their estimated useful lives. The useful life of an intangible asset is the period over which the asset is expected to contribute directly or indirectly to future cash flows. While the Butterball trade names are not amortized because the Company expects the cash flows from these intangible assets to continue indefinitely, the Gusto trade name, grower and customer relationship assets are amortized over 5 or 10 years.

Goodwill and the Butterball trade name are tested for impairment annually or sooner if impairment indicators arise. This determination consists of first assessing qualitative factors to determine the existence of events and circumstances that would indicate the likelihood of the carrying amount of assets exceeding its fair value. If such events or circumstances are determined to exist, the Company determines the fair value and compares it to its carrying amount. If the carrying amount exceeds its fair value, an impairment loss is recognized for any excess carrying amount of goodwill over the implied value.

Intangible assets with finite lives are amortized using the straight-line method over their useful lives. When indicators of impairment are present, they are reviewed for recoverability using estimated future undiscounted cash flows related to those assets. The Company has determined that no impairment existed at January 3, 2016 or December 28, 2014. The Company uses the last day of its fiscal year to perform its annual impairment review of goodwill and trade names.

Intangible assets subject to amortization were as follows:

		January 3, 2016	
	Gross cost	Accumulated amortization	Net carrying value
Grower relationships	\$ 2,400	1,040	1,360
Customer lists	11,500	7,992	3,508
Trade name-Gusto	3,000	1,800	1,200
	<u>\$ 16,900</u>	<u>10,832</u>	<u>6,068</u>

BUTTERBALL, LLC

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(In thousands)

	December 28, 2014		
	Gross cost	Accumulated amortization	Net carrying value
Grower relationships	\$ 2,400	800	1,600
Customer lists	11,500	5,969	5,531
Trade name-Gusto	3,000	1,200	1,800
	<u>\$ 16,900</u>	<u>7,969</u>	<u>8,931</u>

Amortization expense in the accompanying statement of comprehensive income (loss) totaled \$2,863 in each of the years ended January 3, 2016, December 28, 2014 and December 29, 2013.

Future amortization expense of finite-lived intangible assets is estimated as follows:

2016	\$ 2,863
2017	2,325
2018	240
2019	240
2020	240
Thereafter	160
	<u>\$ 6,068</u>

(j) Debt Issuance Costs

Debt issuance costs are classified within other assets and are being amortized as additional interest expense over the life of the underlying debt using either the effective interest or straight-line methods. Amortization of debt issuance costs was \$1,952, \$1,848 and \$1,720 for the years ended January 3, 2016, December 28, 2014 and December 29, 2013, respectively.

(k) Derivative Financial Instruments

The Company enters into interest rate swap contracts to manage its exposure to fluctuations in interest rates and grain hedges to manage the changes in commodity prices. The Company has not designated the contracts as an accounting "hedge". Accordingly, these contracts are measured at fair value with the resulting gain or loss recognized currently in the net finance expense and cost of goods sold in the accompanying statement of comprehensive income (loss).

BUTTERBALL, LLC

Notes to Financial Statements

January 3, 2016 and December 28, 2014

(In thousands)

In 2010, the Company entered into two forward interest rate swap agreements with notional amounts of \$37,500 each. Under the terms of the two \$37,500 swap agreements, the Company paid a fixed interest rate of 2.48% and received a variable interest rate based on the one-month London Interbank Offered Rate (LIBOR) commencing on January 6, 2012 until maturity on December 6, 2015. On April 30, 2013, the Company entered into a series of 5-7 year interest rate swap agreements with a total notional amount of \$150,000 to effectively fix the interest rate at 1.38% on a portion of the floating rate indebtedness under its Amended and Restated Credit Agreement dated March 28, 2013. The effective date for \$75,000 of the swap agreements was May 2, 2013 and the remaining \$75,000 had an effective date of December 7, 2015. The new swap agreements have terms similar to those for the other interest rate exchange agreements referred to above. At January 3, 2016 and December 28, 2014, the fair market value of the interest swaps was a liability of \$751 and an asset of \$508, respectively.

The Company has entered into multiple grain future, put and call contracts. At January 3, 2016 and December 28, 2014, the fair market value of these grain contracts was a liability of \$4,862 and an asset of \$2,376, respectively.

(l) Income Taxes

The Company is not subject to federal or certain state income taxes; however, the Company is required to make an annual tax distribution for its Member based on the highest tax rate between the Members. The Company's net income or loss is reported on the Members' federal income tax returns. The Company is subject to certain state taxes primarily consisting of gross margin tax and commercial activity, and records these within general and administrative expenses. The Company records unrecognized tax liabilities for known or anticipated tax issues based on its analysis of whether, and the extent to which, additional taxes will be due. The Company accrues interest and penalties related to unrecognized tax liabilities as accrued expenses and recognizes the related expense as tax expense included in general and administrative expenses.

(m) Revenue Recognition

The Company recognizes revenue when delivery has occurred or services have been rendered; persuasive evidence of an agreement exists; the Company's price to the buyer is fixed or determinable; and collectibility is reasonably assured.

(n) Advertising

The Company expenses the cost of advertising as incurred. Advertising expense was \$26,719, \$27,499 and \$20,989, respectively, for the years ended January 3, 2016, December 28, 2014 and December 29, 2013.

(o) Shipping and Handling

All shipping and handling costs are included in cost of goods sold in the accompanying statements of comprehensive income (loss).

BUTTERBALL, LLC

Notes to Financial Statements

January 3, 2016 and December 28, 2014

(In thousands)

(p) Fair Value of Financial Instruments

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement is determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, the Company uses a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability, which are typically based on the Company's own assumptions, as there is little, if any, related market activity.

For certain classes of the Company's financial instruments, the carrying amounts approximate fair value due to their short-term nature. These instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued expenses. See note 9 for fair value measurements of other classes of financial instruments made on a recurring and nonrecurring basis.

(q) Recently Issued Accounting Standards Not Yet Adopted

In May 2014, the Financial Accounting Standards Board (FASB) issued guidance to develop a single, comprehensive revenue recognition model for all contracts with customers. This guidance requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This guidance will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The Company is currently evaluating the impact this new guidance will have on its consolidated financial statements and related disclosures. The Company will be required to adopt this guidance on January 1, 2018 and it is currently anticipated that we will apply this guidance using the cumulative effect transition method.

In July 2015, the FASB issued guidance to simplify the subsequent measurement of inventory; excluding inventory measured using last-in, first out or the retail inventory method. Under the new standard, inventory should be at the lower of cost and net realizable value. The new guidance is effective annual periods beginning after December 15, 2016 with early adoption permitted. The Company is analyzing the impact of this new standard and, at this time, cannot estimate the impact of adoption on net earnings.

BUTTERBALL, LLC

Notes to Financial Statements

January 3, 2016 and December 28, 2014

(In thousands)

(2) Inventories

Inventories consist of the following:

	January 3, 2016	December 28, 2014
Live birds, feed and feed ingredients	\$ 130,216	136,560
Finished goods	121,866	116,220
Materials and supplies	25,060	23,948
	<u>\$ 277,142</u>	<u>276,728</u>

(3) Property, Plant, and Equipment

Property, plant, and equipment consists of the following:

	January 3, 2016	December 28, 2014
Land	\$ 22,105	20,978
Site improvements	13,167	10,863
Buildings	144,237	120,125
Water utility systems	3,156	2,861
Equipment	201,110	152,283
Furniture, fixtures and office equipment	15,262	11,355
Vehicles	10,450	6,398
Construction in progress	57,427	59,673
Held for sale	8,909	8,987
	<u>475,823</u>	<u>393,523</u>
Accumulated depreciation	(155,983)	(120,480)
Net property, plant and equipment	<u>\$ 319,840</u>	<u>273,043</u>

On February, 19, 2015, the Company purchased land, buildings, and other tangible personal property of a turkey further processing facility located in Raeford, North Carolina (Raeford) from a private farm cooperative for \$17,000. It is management's intention that the Raeford facility will provide the Company with additional capacity to support its further processed turkey offerings.

BUTTERBALL, LLC

Notes to Financial Statements

January 3, 2016 and December 28, 2014

(In thousands)

(4) Other Assets

Other assets consists of the following:

	January 3, 2016	December 28, 2014
Deferred compensation program assets	\$ 15,986	14,939
Capitalized debt issuance costs	4,312	6,264
Other	2,419	1,622
	<u>\$ 22,717</u>	<u>22,825</u>

(5) Notes Payable – Members

Notes payable – Members consists of following:

	January 3, 2016	December 28, 2014
Subordinated note, net of debt discount	\$ 94,328	92,435
Accrued payment-in-kind interest	64,080	48,825
Real estate loan	7,531	7,605
	<u>\$ 165,939</u>	<u>148,865</u>

During 2010, the Company entered into a subordinated note agreement with Seaboard. The principal amount of this note was \$100 million. As additional consideration for this note, the Company issued to Seaboard detachable warrants exercisable for 5.0% of the issued and outstanding units (currently 50 units are available for issue, 950 units are outstanding) of the Company for an initial exercise price of \$0.01 per unit (effectively \$0.50 for the 50 units). Based on written notes from the Company to Seaboard, these warrants will expire December 6, 2020. The units associated with these warrants have identical rights of the remaining units, with the exception that the warrants do not carry any voting rights, however, in the event of acquisition, sale or other similar transaction, these units will be given full Member unit rights. These warrants met the criteria for in-substance units and were accounted for as a portion of contributed capital in Members' equity. The Company maintains the option to purchase these units at fair value. These warrants were valued at \$10,586 at the date of the issuance.

As a result of the fair value allocated the warrants, the note was valued initially at \$89,414. The note contains a stated interest rate of 15%, with 10% to be accrued as payment in-kind (PIK), and the remaining 5% to be paid every six months. As a result of the fair value allocated to the warrants, the effective interest rate of the note is 16.8%. The note also contains a prepayment penalty until December 2016 of 3.75%; subsequent to December 2016 there is no prepayment penalty.

For the years ended January 3, 2016, December 28, 2014 and December 29, 2013 the Company incurred interest expense on these notes totaling \$24,775, \$22,096 and \$19,728, respectively.

BUTTERBALL, LLC

Notes to Financial Statements

January 3, 2016 and December 28, 2014

(In thousands)

During August, 2011, the Company entered into a real estate loan agreement with Seaboard. Under the terms of this agreement, the Company will make principal payments against the loan when the parcels of underlying real estate are sold. Under this arrangement, the Company incurred interest of \$1,098, \$1,164 and \$1,147 for the years ended January 3, 2016, December 28, 2014 and December 29, 2013 respectively.

(6) Long-Term Debt

Long-term debt consists of the following:

	January 3, 2016	December 28, 2014
Note payable due to banks, maturing September 6, 2017, with interest payable monthly at LIBOR plus 200 basis points (2.42% at January 3, 2016) and varies based on certain performance criteria, secured by substantially all assets of the Company	\$ 145,875	147,750
Note payable due to banks, maturing September 6, 2017, with interest payable monthly at LIBOR plus 175 basis points (2.17% at January 3, 2016) and varies based on certain performance criteria, secured by substantially all assets of the Company	43,125	46,250
Acquisition note payable, maturing August 29, 2021, with interest payable annually at Prime minus 2% (1.5% at January 3, 2016)	9,700	11,314
Note payable due to municipalities, maturing November 1, 2023, with interest payable monthly at 1%	1,188	1,345
Revolving line of credit, maturing September 6, 2017, with variable interest payable based on LIBOR plus 175 basis points (2.17% at January 3, 2016) and varies based on certain performance criteria, secured by substantially all assets of the Company	—	24,000
	199,888	230,659
Less current maturities	6,724	29,789
Total long-term debt, less current maturities	\$ 193,164	200,870

Aggregate maturities of long-term debt are as follows:

2016	\$ 6,724
2017	185,820
2018	1,747
2019	1,773
2020	1,699
Thereafter	2,125
	\$ 199,888

BUTTERBALL, LLC

Notes to Financial Statements

January 3, 2016 and December 28, 2014

(In thousands)

The Company's credit facility consists of two term loans with a balance of \$189,000 at January 3, 2016, and a revolving line of credit of \$225,000. Availability under the line of credit was \$220,517 at January 3, 2016. The revolving line of credit bears interest at LIBOR plus an amount based on certain performance criteria (currently 175 basis points). The credit facility contains covenants including total debt to capitalization ratio, fixed charge coverage ratio and tangible asset coverage ratio. The Company was in compliance with all covenants at January 3, 2016 and December 28, 2014.

(7) Transactions with Members

The Company purchases finished feed, feed ingredients, and raw materials from its Members. The cost of materials purchased from companies affiliated with the Members was \$229,217, \$263,523 and \$248,101 for the periods ended January 3, 2016, December 28, 2014, and December 29, 2013, respectively.

(8) Commitments and Contingencies

- a. Operating lease and rent expenses were \$14,732, \$13,392 and \$6,628 for the years ended January 3, 2016, December 28, 2014, and December 29, 2013, respectively. As of January 3, 2016, minimum rental payments under noncancelable operating leases for machinery and equipment are summarized as follows:

	Lease commitments
2016	\$ 13,749
2017	12,794
2018	6,050
2019	3,480
2020	1,098
Thereafter	4,946
	<u>\$ 42,117</u>

- b. The Company enters into third-party contracts for the purchase of poult, the supply of grain and other feed ingredients, and various critical supplies utilized in both its live and processing operations. The purchase commitment amounts listed in the table below are based on projected market prices and volume expectations as of January 3, 2016, and are summarized as follows:

	Purchase commitments
2016	\$ 266,620
2017	4,379
2018	644
	<u>\$ 271,643</u>

BUTTERBALL, LLC

Notes to Financial Statements

January 3, 2016 and December 28, 2014

(In thousands)

- c. The Company maintains self-insurance programs for health care and workers' compensation coverages. The Company is liable for health care claims up to \$500 each year per plan participant and workers' compensation claims up to \$550 per occurrence, depending on state law. Self-insurance costs are accrued based upon the aggregate of the liability for reported claims and an estimated liability for claims incurred, but not yet reported. The accompanying statements of comprehensive income (loss) include expenses relating to self-insurance plans of \$38,122, \$32,672, and \$31,212 for the years ended January 3, 2016, December 28, 2014 and December 29, 2013, respectively. A letter of credit in the amount of \$4,149 has been issued as security for workers' compensation program.
- d. The Company, from time to time, is involved in lawsuits which occur in the normal course of business. Management intends to vigorously defend these actions when they occur and believes no material losses will occur.

(9) Retirement Plans

- a. The Company has a defined benefit pension plan that was frozen effective January 15, 2006. The Company has historically based pension contributions on minimum funding standards to avoid the Pension Benefit Guaranty Corporation (PBGC) variable rate premiums established by the Employee Retirement Income Security Act (ERISA) of 1974. During the fourth quarter of 2015, the Company made a deductible contribution of \$4,000, principally to avoid future PBGC variable rate premiums established pursuant to the ERISA. The Company anticipates making sufficient contributions during fiscal year 2016 in order to avoid variable rate premiums imposed by the PBGC.

The future benefit payments expected to be paid to plan participants are as follows:

2016	\$	1,327
2017		1,442
2018		1,521
2019		1,610
2020		1,707
2021–2025		10,142
	\$	<u>17,749</u>

Balances in accumulated other comprehensive income (loss) are as follows:

	January 3, 2016	December 28, 2014
Unrecognized actuarial (loss)	\$ (5,424)	(5,440)

The Company expects to recognize \$136 of accumulated other comprehensive (loss) into net periodic benefit cost in fiscal 2016.

BUTTERBALL, LLC

Notes to Financial Statements

January 3, 2016 and December 28, 2014

(In thousands)

The following table presents a reconciliation of the beginning and ending balances of the benefit obligation, fair value of plan assets and the funded status of the aforementioned pension plans to the net amounts measured and recognized in the balance sheet.

	January 3, 2016	December 28, 2014
Change in benefit obligation:		
Benefit obligation – beginning of year	\$ 43,008	35,421
Interest cost	1,697	1,744
Actuarial (gain) loss	(2,577)	9,089
Provision paid	(1,306)	(2,842)
Settlement gain	—	(404)*
Benefit obligation – end of year	<u>40,822</u>	<u>43,008</u>
Change in plan assets:		
Fair value of plan assets – beginning of year	34,050	34,303
Actual return on plan assets	(328)	2,178
Employer contributions	4,000	411
Benefits paid	(1,306)	(2,842)
Fair value of plan assets – end of year	<u>36,416</u>	<u>34,050</u>
Funded status	<u>(4,406)</u>	<u>(8,958)</u>
Net liability recognized in the balance sheet	<u>\$ (4,406)</u>	<u>(8,958)</u>

* Lump sum amounts in total were \$404 less than the projected benefit obligation.

Components of net periodic (income) cost are:

	Years ended		
	January 3, 2016	December 28, 2014	December 29, 2013
Interest cost on projected benefit obligation	\$ 1,697	1,744	1,611
Expected return on assets	(2,342)	(2,464)	(1,716)
Net amortization loss	111	—	506
Net periodic pension (income) expense	(534)	(720)	401
One-time additional expense from settlement accounting	—	241	—
Total pension (income) expense	<u>\$ (534)</u>	<u>(479)</u>	<u>401</u>

BUTTERBALL, LLC

Notes to Financial Statements

January 3, 2016 and December 28, 2014

(In thousands)

The following are accounting assumptions used to determine benefit obligations and net periodic benefit costs:

	Benefit obligations years ended		Benefit costs years ended	
	January 3, 2016	December 28, 2014	January 3, 2016	December 28, 2014
Discount rate	4.4%	4.0%	4.0%	4.0%
Expected long-term rate of return on assets	7.0	7.2	7.0	7.2
Rate of increase in maximum benefit and compensation limits	4.0	4.0	4.0	4.0

The Company's expected long-term return on plan assets assumption is based on a periodic review and modeling of the plan's asset allocation and liability structure over a long-term horizon. The expected long-term rate of return on assets was selected from within the reasonable range of rates determined by (a) historical real returns, net of inflation, for the asset classes covered by the investment policy, and (b) projections of inflation over the long-term period during which benefits are payable to plan participants.

The plan provides for investments in various investment securities which, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risk. The Company is guided by an investment committee whose primary focus is to minimize the volatility of the funding ratio by aligning the plan assets with its liabilities in terms of how they both respond to interest rate changes, in order to achieve a satisfactory rate of return based on the long-term asset allocation profile to adequately fund the plan's benefit obligations, while incurring an acceptable pension cost to the Company.

The Company's defined benefit pension plan weighted average asset allocations by asset category are as follows:

	January 3, 2016		December 28, 2014	
	Market value	Percent	Market value	Percent
Mutual funds	\$ 33,912	93.2%	\$ 31,433	92.3%
Annuities	2,151	5.9	2,179	6.4
Common stocks	—	—	—	—
Principal cash	353	0.9	438	1.3
	<u>\$ 36,416</u>	<u>100.0%</u>	<u>\$ 34,050</u>	<u>100.0%</u>

BUTTERBALL, LLC

Notes to Financial Statements

January 3, 2016 and December 28, 2014

(In thousands)

The Company's target allocation by asset category is as follows:

Asset category	Range
Fixed income funds	25–85 %
Equity mutual funds	15–75 %
Other	0–20 %
Cash	0–5 %

- b. The Company has a frozen nonqualified deferred compensation plan for certain management personnel whereby participants were able to contribute a percentage of their annual salaries to the plan. At January 3, 2016 and December 28, 2014, the liability related to this plan was approximately \$3,660 and \$3,767, respectively. The assets of the plan consisted of life insurance policies with face amounts of approximately \$10,365, and cash values of approximately \$4,341 and \$4,198, at January 3, 2016 and December 28, 2014, respectively. On the accompanying balance sheet, the asset is reported in other assets. On the balance sheet as of December 28, 2014, the liability was included in other liabilities. Due to management's intention to terminate the plan during early 2016, the liability as of January 3, 2016 has been included in accrued expenses.
- c. In 2004, the Company established a nonqualified deferred compensation plan for the same management group which was eligible to participate in the original plan detailed in the above note 9(b). The intent of management is for the new plan to replace the old plan for certain management personnel. The liabilities of the plan consist of the amounts deferred by the participants together with investment earnings from the participants' investment allocations.

While funding of the plan is not required, the Company has chosen to establish a Rabbi Trust whereby the Company sets aside assets for the plan, thus providing the participants with some level of security. At January 3, 2016 and December 28, 2014, the liability related to this plan was approximately \$3,107 and \$3,017, respectively, and the assets of the Rabbi Trust consisted of mutual funds and cash and cash equivalents of approximately \$2,937 and \$2,834, respectively. The assets are reported in other assets and the liability is included in other liabilities on the accompanying balance sheet.

- d. In 2007, the Company established a nonqualified deferred compensation plan for certain members of management. The Company may make discretionary contributions to the plan. Participants begin vesting in the assets of the plan after one year. Plan participants who were members at the time of ownership change are 100% vested. At January 3, 2016 and December 28, 2014, the liability related to this plan was approximately \$8,166 and \$7,227, respectively. Assets of the plan held in a Rabbi Trust consisted of life insurance policies with face amounts of approximately \$21,991, and cash values of approximately \$8,448 and \$7,724 held in underlying investments of cash and various mutual funds, at January 3, 2016 and December 28, 2014, respectively. The assets are reported in other assets and the liability is included in other liabilities on the accompanying balance sheet.

BUTTERBALL, LLC

Notes to Financial Statements

January 3, 2016 and December 28, 2014

(In thousands)

- e. The Company sponsors defined contribution benefit plans (401(k) plans) covering substantially all employees meeting eligibility requirements. The Company's contributions vary depending on the plan, but are based primarily on each participant's level of contribution and cannot exceed the maximum allowable for tax purposes. Total contributions were \$3,066, \$2,748 and \$2,482 for the years ended January 3, 2016, December 28, 2014 and December 29, 2013, respectively.

The fair value levels of all Company-held retirement plan assets, are as follows:

	Quoted prices in active markets for identical assets (Level 1)	Other observable inputs (Level 2)	Unobservable inputs (Level 3)	Total
January 3, 2016:				
Pension plan assets:				
Cash	\$ 353	—	—	353
Mutual funds	8,155	25,757	—	33,912
Annuities	—	—	2,151	2,151
Deferred compensation assets:				
Cash	785	—	—	785
Mutual funds	10,770	—	—	10,770
Cash value – life insurance	—	—	4,431	4,431
Total assets at fair value	<u>\$ 20,063</u>	<u>25,757</u>	<u>6,582</u>	<u>52,402</u>

BUTTERBALL, LLC

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January 3, 2016 and December 28, 2014

(In thousands)

	Quoted prices in active markets for identical assets (Level 1)	Other observable inputs (Level 2)	Unobservable inputs (Level 3)	Total
December 28, 2014:				
Pension plan assets:				
Cash	\$ 438	—	—	438
Mutual funds	31,433	—	—	31,433
Annuities	—	—	2,179	2,179
Deferred compensation assets:				
Cash	1,890	—	—	1,890
Mutual funds	8,851	—	—	8,851
Cash value – life insurance	—	—	4,198	4,198
Total assets at fair value	<u>\$ 42,612</u>	<u>—</u>	<u>6,377</u>	<u>48,989</u>

Cash surrender values are provided by the insurance carrier on a periodic basis. The values approximate the fair value of these policies. The values assigned to the individual policies, which are not actively traded on any exchange, are not observable and are considered within Level 3 of the valuation hierarchy. The fair value determined by each insurance carrier is based on the cash surrender values of each policy where the Company is the beneficiary.

The change in Level 3 investments is due to net appreciation of underlying investments of \$205.

(10) Concentrations of Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of trade receivables with a variety of customers, cash investments and other short-term investments deposited with financial institutions. The Company generally does not require collateral from its customers. Such credit risk is considered by management to be limited due to the Company's broad customer base and its customers' financial resources.

During the years ended January 3, 2016 and December 28, 2014 and at various times throughout these years, the Company maintained cash balances with financial institutions in excess of amounts that are Federally insured. Due to the financial stability of the financial institution where cash and cash equivalents are held, management believes the risk of loss of amounts in excess of these insured amounts is remote.

At January 3, 2016 approximately 10% of the Company's employees were covered by collective bargaining agreements. None of the contracts will expire within one year.

BUTTERBALL, LLC

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(In thousands)

(11) Subsequent Events Evaluation Date

The Company evaluated the events and transactions subsequent to its January 3, 2016 balance sheet date and, in accordance with FASB ASC 855-10-50, *Subsequent Events*, determined there were no significant events to report through February 12, 2016, which is the date the Company issued its financial statements, except as follows:

Effective January 4, 2016, the Company amended both its subordinated debt and warrant agreements with Seaboard. The new debt agreement reduces the stated interest rate to 10%, with all interest incurred after the amendment date being paid every six months. All other terms under the note agreement remained similar. The elimination of the PIK interest accrual reduces the total cumulative estimated accrued payment at maturity in December 2017 to \$164,251. The revised warrant agreement prohibits exercise of any warrants held by Seaboard until after December 31, 2018 while extending the period to exercise the warrants until December 31, 2025. The Company is evaluating the impact of this revision on the valuation of the warrants, and any adjustment will be recorded to the Company's member equity records.