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

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended October 1, 2022

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	**04-2260388**
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)
9000 West 67th Street, Merriam, Kansas	**66202**
(Address of principal executive offices)	(Zip Code)

(913) 676-8928

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock $1.00 Par Value	SEB	NYSE American

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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

Large Accelerated Filer ☒
Non-Accelerated Filer ☐
Accelerated Filer ☐
Smaller Reporting Company ☐
Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

There were 1,160,779 shares of common stock, $1.00 par value per share, outstanding on October 26, 2022.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

SEABOARD CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

(Millions of dollars except share and per share amounts)	Three Months Ended October 1, 2022	Three Months Ended October 2, 2021	Nine Months Ended October 1, 2022	Nine Months Ended October 2, 2021
Net sales:				
Products (affiliate sales of $332, $382, $1,132 and $1,067)	$ 2,299	$ 1,908	$ 6,901	$ 5,728
Services (affiliate sales of $5, $6, $15 and $15)	541	355	1,556	998
Other	55	13	120	39
Total net sales	2,895	2,276	8,577	6,765
Cost of sales and operating expenses:				
Products	2,254	1,782	6,677	5,282
Services	351	282	1,032	812
Other	43	12	104	40
Total cost of sales and operating expenses	2,648	2,076	7,813	6,134
Gross income	247	200	764	631
Selling, general and administrative expenses	92	88	271	262
Operating income	155	112	493	369
Other income (expense):				
Interest expense	(13)	(11)	(23)	(7)
Interest income	9	5	21	16
Income (loss) from affiliates	48	(1)	94	—
Other investment income (loss), net	(64)	(9)	(291)	108
Foreign currency gains, net	9	5	21	7
Miscellaneous, net	1	3	11	10
Total other income (expense), net	(10)	(8)	(167)	134
Earnings before income taxes	145	104	326	503
Income tax benefit (expense)	1	(10)	32	(54)
Net earnings	$ 146	$ 94	$ 358	$ 449
Less: Net earnings attributable to noncontrolling interests	—	—	(1)	—
Net earnings attributable to Seaboard	$ 146	$ 94	$ 357	$ 449
Earnings per common share	$ 125.78	$ 81.50	$ 307.55	$ 387.09
Average number of shares outstanding	1,160,779	1,160,779	1,160,779	1,160,779
Other comprehensive income (loss), net of income tax expense of $1, $1, $1 and $2:				
Foreign currency translation adjustment	(15)	8	(18)	8
Unrecognized pension cost	3	1	4	6
Other comprehensive income (loss), net of tax	$ (12)	$ 9	$ (14)	$ 14
Comprehensive income	134	103	344	463
Less: Comprehensive income attributable to noncontrolling interests	—	—	(1)	—
Comprehensive income attributable to Seaboard	$ 134	$ 103	$ 343	$ 463

See accompanying notes to condensed consolidated financial statements.

SEABOARD CORPORATION AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(Unaudited)

(Millions of dollars except share and per share amounts)	October 1, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 70	$ 75
Short-term investments	1,023	1,416
Receivables, net of allowance for credit losses of $32 and $31	884	762
Inventories	1,816	1,663
Other current assets	162	131
Total current assets	3,955	4,047
Property, plant and equipment, net	2,227	1,892
Operating lease right of use assets, net	403	496
Investments in and advances to affiliates	717	651
Goodwill	159	163
Other non-current assets	283	254
Total assets	$ 7,744	$ 7,503
Liabilities and Stockholders' Equity		
Current liabilities:		
Lines of credit	$ 490	$ 516
Accounts payable	421	404
Deferred revenue	124	108
Operating lease liabilities	155	171
Other current liabilities	408	353
Total current liabilities	1,598	1,552
Long-term debt, less current maturities	703	708
Deferred income taxes	—	99
Long-term operating lease liabilities	279	360
Other non-current liabilities	393	350
Total non-current liabilities	1,375	1,517
Commitments and contingent liabilities		
Stockholders' equity:		
Common stock of $1 par value. Authorized 1,250,000 shares; issued and outstanding 1,160,779 shares in 2022 and 2021	1	1
Accumulated other comprehensive loss	(446)	(432)
Retained earnings	5,197	4,847
Total Seaboard stockholders' equity	4,752	4,416
Noncontrolling interests	19	18
Total equity	4,771	4,434
Total liabilities and stockholders' equity	$ 7,744	$ 7,503

See accompanying notes to condensed consolidated financial statements.

SEABOARD CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

(Millions of dollars)	Common Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Noncontrolling Interests	Total
Balances, December 31, 2020	$ 1	$ (471)	$ 4,287	$ 11	$ 3,828
Comprehensive income:					
Net earnings	—	—	179	—	179
Other comprehensive income, net of tax	—	16	—	—	16
Dividends on common stock ($2.25/share)	—	—	(3)	—	(3)
Balances, April 3, 2021	$ 1	$ (455)	$ 4,463	$ 11	$ 4,020
Comprehensive income (loss):					
Net earnings	—	—	176	—	176
Other comprehensive loss, net of tax	—	(11)	—	—	(11)
Dividends on common stock ($2.25/share)	—	—	(2)	—	(2)
Balances, July 3, 2021	$ 1	$ (466)	$ 4,637	$ 11	$ 4,183
Comprehensive income:					
Net earnings	—	—	94	—	94
Other comprehensive income, net of tax	—	9	—	—	9
Acquisition of noncontrolling interest	—	—	—	6	6
Dividends on common stock ($2.25/share)	—	—	(2)	—	(2)
Balances, October 2, 2021	$ 1	$ (457)	$ 4,729	$ 17	$ 4,290
Balances, December 31, 2021	$ 1	$ (432)	$ 4,847	$ 18	$ 4,434
Comprehensive income (loss):					
Net earnings	—	—	103	1	104
Other comprehensive loss, net of tax	—	(1)	—	—	(1)
Dividends on common stock ($2.25/share)	—	—	(3)	—	(3)
Balances, April 2, 2022	$ 1	$ (433)	$ 4,947	$ 19	$ 4,534
Comprehensive income (loss):					
Net earnings	—	—	108	—	108
Other comprehensive loss, net of tax	—	(1)	—	—	(1)
Dividends on common stock ($2.25/share)	—	—	(2)	—	(2)
Balances, July 2, 2022	$ 1	$ (434)	$ 5,053	$ 19	$ 4,639
Comprehensive income (loss):					
Net earnings	—	—	146	—	146
Other comprehensive loss, net of tax	—	(12)	—	—	(12)
Dividends on common stock ($2.25/share)	—	—	(2)	—	(2)
Balances, October 1, 2022	$ 1	$ (446)	$ 5,197	$ 19	$ 4,771

See accompanying notes to condensed consolidated financial statements

SEABOARD CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(Millions of dollars)	Nine Months Ended October 1, 2022	Nine Months Ended October 2, 2021
Cash flows from operating activities:		
Net earnings	$ 358	$ 449
Adjustments to reconcile net earnings to cash from operating activities:		
Depreciation and amortization	163	131
Deferred income taxes	(103)	(30)
Income from affiliates	(94)	—
Dividends received from affiliates	23	30
Other investment loss (income), net	291	(108)
Other, net	26	17
Changes in assets and liabilities, net of dispositions:		
Receivables, net of allowance for credit losses	(144)	(123)
Inventories	(160)	(343)
Other assets	(30)	(17)
Accounts payable	13	96
Other liabilities, exclusive of debt	34	(6)
Net cash from operating activities	377	96
Cash flows from investing activities:		
Purchase of short-term investments	(447)	(1,777)
Proceeds from the sale of short-term investments	604	1,818
Proceeds from the maturity of short-term investments	15	25
Capital expenditures	(367)	(324)
Proceeds from the sale of property, plant and equipment	22	30
Acquisition of business	(58)	(7)
Principal payments received on notes receivable	4	21
Purchase of long-term investments	(113)	(77)
Proceeds from the sale of subsidiaries, net of cash sold	15	—
Proceeds from the sale of non-consolidated affiliates	13	—
Other, net	(13)	10
Net cash from investing activities	(325)	(281)
Cash flows from financing activities:		
Uncommitted lines of credit, net	(5)	142
Draws under committed lines of credit	1,076	443
Repayments of committed lines of credit	(1,090)	(342)
Principal payments of long-term debt	(7)	(53)
Payments on finance leases	(28)	(9)
Dividends paid	(7)	(7)
Other, net	1	(1)
Net cash from financing activities	(60)	173
Effect of exchange rate changes on cash and cash equivalents	3	(2)
Net change in cash and cash equivalents	(5)	(14)
Cash and cash equivalents at beginning of year	75	76
Cash and cash equivalents at end of period	$ 70	$ 62

See accompanying notes to condensed consolidated financial statements.

SEABOARD CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 1 – Basis of Presentation and Accounting Policies

The condensed consolidated financial statements are unaudited and include the accounts of Seaboard Corporation and its subsidiaries ("Seaboard"). Certain information, accounting policies and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("U.S") have been condensed or omitted pursuant to such rules and regulations of the U.S. Securities and Exchange Commission. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes of Seaboard included in our annual report on Form 10-K for the year ended December 31, 2021. Seaboard's first three quarterly periods include approximately 13 weekly periods ending on the Saturday closest to the end of March, June and September. Preparation of condensed consolidated financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The accompanying condensed consolidated financial statements include all adjustments, which are of a normal recurring nature, necessary for a fair presentation of financial position as of October 1, 2022 and the results of operations and cash flows for the three and nine months then ended. Results of operations and cash flows for the periods presented are not necessarily indicative of results to be expected for the full year.

Supplemental Cash Flow Information
Non-cash investing activities for the nine months ended October 1, 2022, included purchases of property, plant and equipment in accounts payable of $17 million. The following table includes supplemental cash and non-cash information related to leases. Seaboard reports the amortization of right-of-use ("ROU") assets and changes in operating lease liabilities in other liabilities, exclusive of debt in the condensed consolidated statements of cash flows.

	Nine Months Ended	
(Millions of dollars)	October 1, 2022	October 2, 2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 145	$ 117
Operating cash flows from finance leases	5	3
Financing cash flows from finance leases	28	9
ROU assets obtained in exchange for new lease liabilities:		
Operating leases	$ 34	$ 153
Finance leases	113	49

Goodwill and Other Intangible Assets
The change in the carrying amount of goodwill was related to an acquisition in the Pork segment of $4 million and foreign currency exchange losses of $8 million within the Commodity Trading and Milling ("CT&M") segment. See Note 8 for further discussion of the acquisition. As of October 1, 2022, other intangible assets, included in other non-current assets, were $35 million, net of accumulated amortization of $38 million.

Income Taxes
For quarters, Seaboard computes its year-to-date provision for income taxes by applying the estimated annual effective tax rate to year-to-date pre-tax income or loss and adjusts the provision for discrete tax items recorded in the period.

Note 2 – Investments

The following is a summary of the estimated fair value of short-term investments classified as trading securities:

(Millions of dollars)	October 1, 2022	December 31, 2021
Domestic equity securities	$ 413	$ 472
Domestic debt securities	352	542
Foreign equity securities	134	193
Foreign debt securities	91	133
Money market funds held in trading accounts	20	59
Other trading securities	13	17
Total trading short-term investments	$ 1,023	$ 1,416

The change in unrealized gains (losses) related to trading securities still held at the end of the respective reporting period was ($65) million and ($220) million for the three and nine months ended October 1, 2022, respectively, and ($9) million and $7 million for the three and nine months ended October 2, 2021, respectively.

Seaboard had $16 million and $46 million of short-term investments denominated in foreign currencies, primarily euros, as of October 1, 2022 and December 31, 2021, respectively.

Seaboard had long-term investments of $187 million and $156 million as of October 1, 2022 and December 31, 2021, respectively, classified in other non-current assets on the consolidated balance sheets. These investments are primarily in a business development company ("BDC"), real estate and renewable energy facilities. The BDC investment is included in the fair value hierarchy table in Note 6 and the other investments are primarily accounted for under the equity method of accounting with any gains/losses recorded in other investment income (loss). During the second quarter of 2022, Seaboard committed to invest $52 million in a solar renewable energy project in Guam and received $46 million of federal investment tax credits upon commercial operation of the project that impacted Seaboard's effective tax rate as a discrete item. Seaboard accounts for this solar investment using the flow-through method and recognized the impact of the investment tax credits in the period earned on a gross basis, with the charge related to the reduction of the investment recorded in other investment income (loss) offset by the benefit of the credits recorded in income tax benefit (expense). Seaboard funded $10 million of this commitment during the second quarter of 2022 and funded the remaining commitment of $42 million in the third quarter of 2022.

Note 3 – Inventories

The following is a summary of inventories:

(Millions of dollars)	October 1, 2022	December 31, 2021
At lower of FIFO cost and net realizable value ("NRV"):		
Hogs and materials	$ 515	$ 489
Pork products and materials	72	64
Grains, oilseeds and other commodities	714	634
Biofuels and related credits	167	147
Other	95	92
Total inventories at lower of FIFO cost and NRV	1,563	1,426
Grain, flour and feed at lower of weighted average cost and NRV	253	237
Total inventories	$ 1,816	$ 1,663

Note 4 – Lines of Credit, Long-Term Debt, Commitments and Contingencies

Lines of Credit
As of October 1, 2022, the outstanding balances under committed and uncommitted lines of credit were $143 million and $347 million, respectively. Of the total outstanding balance as of October 1, 2022, $205 million was denominated in foreign currencies with $178 million denominated in the South African rand and the remaining in various other currencies. As of December 31, 2021, the outstanding balances under committed and uncommitted lines of credit were $157 million and $359 million, respectively. Of the total outstanding balance as of December 31, 2021, $218 million was denominated in foreign currencies, with $177 million denominated in the South African rand and the remaining in various other currencies. The weighted average interest rate for outstanding lines of credit was 6.19% and 2.71% as of October 1, 2022 and December 31, 2021, respectively.

As of both October 1, 2022 and December 31, 2021, Seaboard had a committed line of credit with borrowing capacity of $250 million. During the third quarter of 2022, Seaboard amended this committed line of credit agreement to extend the maturity date to December 31, 2022, and change the interest rate index from LIBOR to SOFR (Secured Overnight Financing Rate), as LIBOR will cease to exist after June 30, 2023.

Long-term Debt
Long-term debt includes borrowings under term loans and other contractual obligations, including notes payable. The interest rate on the Term Loan due 2028 was 4.74% and 1.73% as of October 1, 2022 and December 31, 2021, respectively.

The following is a summary of long-term debt:

(Millions of dollars)	October 1, 2022	December 31, 2021
Term Loan due 2028	$ 672	$ 677
Foreign subsidiary obligations	1	1
Other long-term debt	38	39
Total debt at face value	711	717
Current maturities and unamortized discount and costs	(8)	(9)
Long-term debt, less current maturities and unamortized discount and costs	$ 703	$ 708

Seaboard was in compliance with all restrictive debt covenants relating to these agreements as of October 1, 2022.

Legal Proceedings
Helms-Burton Act Litigation
On July 21, 2021, a lawsuit was filed by an individual, Odette Blanco de Fernandez ("Ms. de Fernandez"), and the heirs ("Inheritors") and estates ("Estates") of four of her siblings (Ms. de Fernandez, together with the Inheritors and the Estates being referred to as the "Plaintiffs") against Seaboard Corporation in the U.S. District Court for the District of Delaware (the "Delaware District Court"), making claims under Title III of the Cuban Liberty and Solidarity Act of 1996, also known as the Helms-Burton Act (the "Act"). The same Plaintiffs filed a separate lawsuit against Seaboard Marine Ltd. ("Seaboard Marine") on December 20, 2020, in the U.S. District Court for the Southern District of Florida (the "Florida District Court").

The Act provides that any person who knowingly and intentionally "traffics" in property which was confiscated by the Cuban government may be liable to any U.S. national who acquires an ownership interest in such property for money damages in an amount equal to the greater of the current fair market value of the property or the value of the property when confiscated, plus interest from the date of confiscation, reasonable attorneys' fees and costs, and treble damages under certain circumstances. The complaint in each of the cases alleges that the Plaintiffs acquired ownership interests to a 70-year concession to develop port facilities at Mariel Bay, Cuba, and ownership of surrounding land, and that these and other property rights were confiscated by the Cuban government in 1960. The complaints further allege that Seaboard Corporation and Seaboard Marine knowingly and intentionally "trafficked" in the confiscated property within the meaning of the Act by carrying and/or directing cargo to the Port of Mariel.

The Florida District Court in the Seaboard Marine case dismissed the claims of the Inheritors and the Estates because they did not acquire the ownership claims prior to March 1996, as required by the Act. The remaining plaintiff, Ms. de Fernandez, contends she owns 20% of the companies that were granted the concession and owned land in or around Mariel Bay, Cuba. On August 19, 2022, the Florida District Court granted Seaboard Marine's Motion for Summary

Judgement and entered a Final Judgment in favor of Seaboard Marine. On September 1, 2022, the Plaintiffs appealed the Final Judgment to the United States Court of Appeals for the Eleventh Circuit. The Plaintiffs' appeal is pending.

As to the suit against Seaboard Corporation, on October 21, 2021, the Plaintiffs filed an amended complaint which principally added allegations that there were other callings made by Seaboard Marine at the Port of Mariel and that Seaboard Corporation engaged in a pattern of doing business with individuals and entities in contravention of U.S. foreign policy. Seaboard Corporation filed a Motion to Dismiss which is pending. On September 28, 2022, the Delaware District Court stayed this lawsuit against Seaboard Corporation until 30 days after the outcome of the appeal in the Seaboard Marine case.

The operative complaints in each lawsuit seek unspecified damages (including treble damages) and pre-filing interest as provided in the Act; pre-judgment interest; attorneys' fees, costs and expenses; and such other relief as is just and proper. Seaboard Corporation and Seaboard Marine have meritorious defenses to the claims alleged in these matters and intend to vigorously defend these matters. It is impossible at this stage either to determine the probability of a favorable or unfavorable outcome resulting from either of these suits, or to reasonably estimate the amount of potential loss or range of potential loss, if any, resulting from the suits. However, the outcome of litigation is inherently unpredictable and subject to significant uncertainties, and if unfavorable, could result in a material liability.

Pork Antitrust Litigation

On June 28, 2018, twelve indirect purchasers of pork products filed a class action complaint in the U.S. District Court for the District of Minnesota (the "District Court") against several pork processors, including Seaboard Foods LLC and Agri Stats, Inc., a company described in the complaint as a data sharing service. The complaint also named Seaboard Corporation as a defendant. Additional class action complaints with similar claims on behalf of putative classes of direct and indirect purchasers were later filed in the District Court, and three additional actions by standalone plaintiffs (including the Commonwealth of Puerto Rico) were filed in or transferred to the District Court. The consolidated actions are styled In re Pork Antitrust Litigation. The operative complaints allege, among other things, that beginning in January 2009, the defendants conspired and combined to fix, raise, maintain, and stabilize the price of pork products in violation of U.S. antitrust laws by coordinating output and limiting production, allegedly facilitated by the exchange of non-public information about prices, capacity, sales volume and demand through Agri Stats, Inc. The complaints on behalf of the putative classes of indirect purchasers also assert claims under various state laws, including state antitrust laws, unfair competition laws, consumer protection statutes, and common law unjust enrichment. The relief sought in the respective complaints includes treble damages, injunctive relief, pre- and post-judgment interest, costs and attorneys' fees. On October 16, 2020, the District Court denied defendants' motions to dismiss the amended complaints, but the District Court later dismissed all claims against Seaboard Corporation without prejudice.

In 2021 and 2022, additional standalone plaintiffs filed similar actions in other federal courts throughout the country, several of which name Seaboard Corporation as a defendant. These actions have been or are expected to be conditionally transferred to Minnesota for pretrial proceedings pursuant to an order by the Judicial Panel on Multidistrict Litigation. Also in 2021, the states of New Mexico and Alaska filed civil cases in state court against substantially the same defendants, including Seaboard Foods LLC and Seaboard Corporation, based on substantially similar allegations.

Seaboard believes that it has meritorious defenses to the claims alleged in these matters and intends to vigorously defend these matters. It is impossible at this stage either to determine the probability of a favorable or unfavorable outcome resulting from these suits, or to reasonably estimate the amount of potential loss or range of potential loss, if any, resulting from the suits.

Cereoil and Nolston Litigation

On March 20, 2018, the bankruptcy trustee (the "Trustee") for Cereoil Uruguay S.A. ("Cereoil") filed a suit in the Bankruptcy Court of First Instance in Uruguay that was served during the second quarter of 2018, naming as parties Seaboard Corporation and its subsidiaries, Seaboard Overseas Limited ("SOL") and Seaboard Uruguay Holdings Ltd. ("Seaboard Uruguay"). Seaboard Corporation has a 45% indirect ownership of Cereoil. The suit seeks an order requiring Seaboard Corporation, SOL and Seaboard Uruguay to reimburse Cereoil the amount of $22 million, contending that deliveries of soybeans to SOL pursuant to purchase agreements should be set aside as fraudulent conveyances. Seaboard believes that it has meritorious defenses to the claims alleged in this matter and intends to vigorously defend this matter. It is impossible at this stage to determine the probability of a favorable or unfavorable outcome resulting from this suit. In the event of an adverse ruling, Seaboard and its two subsidiaries could be ordered to pay the amount of $22 million plus interest. Any award in this case would offset against any award in the additional case described below filed by the Trustee on April 27, 2018.

On April 27, 2018, the Trustee for Cereoil filed an additional suit in the Bankruptcy Court of First Instance in Uruguay that was served during the second quarter of 2018, naming as parties Seaboard Corporation, SOL, Seaboard Uruguay, all directors of Cereoil, including two individuals employed by Seaboard who served as directors at the behest of Seaboard, and the Chief Financial Officer of Cereoil, an employee of Seaboard who also served at the behest of Seaboard (collectively, the "Cereoil Defendants"). The Trustee contends that the Cereoil Defendants acted with willful misconduct to cause Cereoil's insolvency, and thus should be ordered to pay all liabilities of Cereoil, net of assets. The bankruptcy filing lists total liabilities of $53 million and assets of $30 million. Seaboard believes that it has meritorious defenses to the claims alleged in this matter and intends to vigorously defend this matter. It is impossible at this stage to determine the probability of a favorable or unfavorable outcome resulting from this suit. In the event of an adverse ruling, Seaboard Corporation and the other Cereoil Defendants could be ordered to pay the amount of the net indebtedness of Cereoil, which based on the bankruptcy schedules would total $23 million. It is possible that the net indebtedness could be higher than this amount if Cereoil's liabilities are greater than $53 million and/or Cereoil's assets are worth less than $30 million.

In addition, in the event of an adverse ruling, the Bankruptcy Court of First Instance could order payment of the Trustee's professional fees, interest, and other expenses. Any award in this case would offset against any award in the case described above filed on March 20, 2018.

On September 30, 2021, HSBC Bank (Uruguay) SA ("HSBC"), a creditor in the Cereoil bankruptcy proceeding pending in Uruguay, filed a suit in the U.S. District Court for the District of Kansas (the "Kansas District Court") against Seaboard Corporation alleging claims for breach of contract, promissory estoppel, breach of the duty of good faith and fair dealing, unjust enrichment, fraud, negligent misrepresentation and fraud by concealment based upon a comfort letter, alleged statements by Cereoil personnel (including the Chief Financial Officer serving at the behest of Seaboard), and the same grain transactions that the Trustee challenges as fraudulent conveyances in the Cereoil bankruptcy in Uruguay discussed above. HSBC seeks $10 million plus interest and other relief in excess of $3.2 million. In March 2022, Seaboard filed a motion to dismiss HSBC's claims on various grounds. On September 23, 2022, the Kansas District Court dismissed six of HSBC's seven claims. Three of those claims, for fraud, negligent misrepresentation and fraud by concealment, can be re-filed by HSBC in Uruguay. The other three claims, for breach of contract, breach of the duty of good faith and fair dealing and unjust enrichment, were dismissed with prejudice and cannot be re-filed unless HSBC successfully appeals the District Court order. The one claim not dismissed in this matter is for promissory estoppel. Seaboard believes that it has meritorious defenses to this claim and intends to vigorously defend it. Due to the early stage of the proceeding, it is impossible to determine the probability of a favorable or unfavorable outcome resulting from this remaining claim.

On May 15, 2018, the Trustee for Nolston S.A. ("Nolston") filed a suit in the Bankruptcy Court of First Instance in Uruguay that was served during the second quarter of 2018, naming as parties Seaboard and the other Cereoil Defendants. Seaboard has a 45% indirect ownership of Nolston. The Trustee contends that the Cereoil Defendants acted with willful misconduct to cause Nolston's insolvency, and thus should be ordered to pay all liabilities of Nolston, net of assets. The bankruptcy filing lists total liabilities of $29 million and assets of $15 million. Seaboard believes that it has meritorious defenses to the claims alleged in this matter and intends to vigorously defend this matter. It is impossible at this stage to determine the probability of a favorable or unfavorable outcome resulting from this suit. In the event of an adverse ruling, Seaboard and the other Cereoil Defendants could be ordered to pay the amount of the net indebtedness of Nolston, which based on the bankruptcy schedules, asset sales and removal of duplicative claims, is estimated to be approximately $8 million. In addition, in the event of an adverse ruling, the Bankruptcy Court of First Instance could order payment of the Trustee's professional fees, interest, and other expenses.

<u>General</u>
Seaboard is subject to various administrative and judicial proceedings and other legal matters related to the normal conduct of its business. The ultimate resolution of these items is not expected to have a material adverse effect on the condensed consolidated financial statements of Seaboard.

Guarantees
Certain of Seaboard's non-consolidated affiliates have debt supporting their underlying operations. From time to time, Seaboard will provide guarantees of that debt in order to further Seaboard's business objectives. As of October 1, 2022, guarantees outstanding were not material. Seaboard has not accrued a liability for any of the guarantees as the likelihood of loss is remote.

Note 5 – Employee Benefits

Seaboard has qualified defined benefit pension plans for its domestic salaried and clerical employees that were hired before January 1, 2014. Seaboard also sponsors non-qualified, unfunded supplemental executive plans.

The net periodic benefit cost for all plans was as follows:

	Three Months Ended		Nine Months Ended	
(Millions of dollars)	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Components of net periodic benefit cost:				
Service cost	$ 3	$ 3	$ 7	$ 8
Interest cost	2	3	7	7
Expected return on plan assets	(3)	(3)	(10)	(9)
Amortization	1	2	4	7
Settlement loss recognized	—	—	—	3
Net periodic benefit cost	$ 3	$ 5	$ 8	$ 16

Note 6 – Derivatives and Fair Value of Financial Instruments

The following tables show assets and liabilities measured at fair value on a recurring basis and the level within the fair value hierarchy used to measure each category of assets and liabilities. The trading securities classified as other current assets below are assets held for Seaboard's deferred compensation plans.

(Millions of dollars)	Balance October 1, 2022	Level 1	Level 2	Level 3
Assets:				
Trading securities – short-term investments:				
Domestic equity securities	$ 413	$ 413	$ —	$ —
Domestic debt securities	352	149	203	—
Foreign equity securities	134	134	—	—
Foreign debt securities	91	—	91	—
Money market funds held in trading accounts	20	20	—	—
Other trading securities	13	—	13	—
Trading securities – other current assets	25	24	1	—
Long-term investment - BDC	70	—	70	—
Derivatives	29	24	5	—
Total assets	$ 1,147	$ 764	$ 383	$ —
Liabilities:				
Contingent consideration	$ 19	$ —	$ —	$ 19
Derivatives	30	20	10	—
Total liabilities	$ 49	$ 20	$ 10	$ 19

(Millions of dollars)	Balance December 31, 2021	Level 1	Level 2	Level 3
Assets:				
Trading securities – short-term investments:				
Domestic debt securities	$ 542	$ 247	$ 295	$ —
Domestic equity securities	472	472	—	—
Foreign equity securities	193	193	—	—
Foreign debt securities	133	2	131	—
Money market funds held in trading accounts	59	59	—	—
Other trading securities	17	—	17	—
Trading securities – other current assets	29	28	1	—
Long-term investment - BDC	81	—	—	81
Derivatives	11	6	5	—
Total assets	$ 1,537	$ 1,007	$ 449	$ 81
Liabilities:				
Contingent consideration	$ 18	$ —	$ —	$ 18
Derivatives	10	5	5	—
Total liabilities	$ 28	$ 5	$ 5	$ 18

Financial instruments consisting of cash and cash equivalents, net receivables, lines of credit and accounts payable are carried at cost, which approximates fair value as a result of the short-term nature of the instruments. The fair value of short-term investments is measured using multiple levels. Domestic and foreign debt securities categorized as level 1 in the fair value hierarchy include debt securities held in mutual funds and ETFs. Domestic debt securities categorized as level 2 include corporate bonds, mortgage-backed securities, asset-backed securities, U.S. Treasuries and high-yield securities. Foreign debt securities categorized as level 2 include foreign government or government related securities, corporate bonds, asset-backed securities and high-yield securities with a country of origin concentration outside the U.S.

Seaboard has a long-term investment in a BDC that primarily lends to and invests in debt securities of privately held companies. This long-term investment is valued at net asset value ("NAV"), but is subject to contractual sale restrictions pursuant to shareholder arrangements. During the third quarter of 2022, Seaboard early adopted recent guidance from the Financial Accounting Standards Board that clarifies these restrictions are not security specific and should not impact the fair value. As a result of this adoption, the BDC investment's liquidity discount of $1 million was removed and accordingly, the instrument is now classified as level 2 rather than level 3.

The fair value of long-term debt is estimated by comparing interest rates for debt with similar terms and maturities. As Seaboard's long-term debt is mostly variable-rate, its carrying amount approximates fair value. If Seaboard's long-term debt was measured at fair value on its condensed consolidated balance sheets, it would have been classified as level 2 in the fair value hierarchy. See Note 4 for a discussion of Seaboard's long-term debt.

Seaboard's contingent consideration, classified in other non-current liabilities, is related to a 2018 acquisition. The fair value is dependent on the probability of the acquiree achieving certain financial performance targets using earnings before interest, taxes, depreciation and amortization ("EBITDA") as a metric. The contingent consideration ranges between zero and $48 million payable between five and eight years following the closing, with timing at the discretion of the sellers. The fair value is classified as level 3 since the calculation is dependent upon projected company specific inputs using a Monte Carlo simulation. Seaboard remeasures the estimated fair value of the contingent consideration liability until settled, with adjustments included in net earnings (loss). The change in value during 2022 was related to higher projected EBITDA at the measurement date.

Seaboard's operations are exposed to market risks from changes in commodity prices, foreign currency exchange rates, interest rates and equity prices. Seaboard uses various commodity derivative futures and options to manage its risk of price fluctuations for raw materials and other inventories, finished product sales and firm sales commitments. Also, Seaboard enters into foreign currency exchange agreements to manage the foreign currency exchange rate risk with respect to certain transactions denominated in foreign currencies. From time to time, Seaboard enters into interest rate swap agreements to manage the interest rate risk with respect to certain variable rate long-term debt and enters into equity futures contracts to manage the equity price risk with respect to certain short-term investments. While management believes its derivatives are primarily economic hedges, Seaboard does not perform the extensive record-keeping required to account for these types of transactions as hedges for accounting purposes. These derivative contracts are recorded at fair value, with any changes in fair value recognized in the condensed consolidated statements of comprehensive income. As the derivative contracts are not accounted for as hedges, fluctuations in the related prices or rates could have a material impact on earnings in any given reporting period. The nature of Seaboard's market risk exposure has not materially changed since December 31, 2021.

Seaboard had the following aggregated outstanding notional amounts related to derivative financial instruments:

(Millions)	Metric	October 1, 2022	December 31, 2021
Commodities:			
Grain	Bushels	21	1
Soybean oil	Pounds	53	20
Heating oil	Gallons	—	15
Foreign currencies	U.S. dollar	54	95

Credit risks associated with these derivative contracts are not significant as Seaboard minimizes counterparty exposure by dealing with credit-worthy counterparties and uses margin accounts for some contracts. As of October 1, 2022, the maximum amount of credit risk, had the counterparties failed to perform according to the terms of the contract, was $5 million.

The following table provides the fair value of each type of derivative held and where each derivative is included in the condensed consolidated balance sheets:

		Asset Derivatives			Liability Derivatives	
(Millions of dollars)		October 1, 2022	December 31, 2021		October 1, 2022	December 31, 2021
Commodities	Other current assets	$ 24	$ 6	Other current liabilities	$ 20	$ 5
Foreign currencies	Other current assets	5	5	Other current liabilities	10	5

Seaboard's commodity derivative assets and liabilities are presented in the condensed consolidated balance sheets on a net basis, including netting the derivatives with the related margin accounts. As of October 1, 2022 and December 31, 2021, the commodity derivatives had a margin account balance of $34 million and $28 million, respectively, resulting in a net other current asset in the condensed consolidated balance sheets of $38 million and $29 million, respectively.

The following table provides the amount of gain or (loss) for each type of derivative and where it was recognized in the condensed consolidated statements of comprehensive income:

		Three Months Ended		Nine Months Ended	
(Millions of dollars)		October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Commodities	Cost of sales	$ 13	$ (12)	$ (45)	$ (32)
Foreign currencies	Cost of sales	(19)	6	(25)	9
Foreign currencies	Foreign currency gains (losses), net	9	1	18	4
Interest rate swaps	Interest expense	—	(1)	—	5
Equity futures	Other investment income (loss), net	—	(1)	—	(1)

During the third quarter of 2021, all of Seaboard's interest rate swap agreements were terminated. Seaboard paid fixed-rate interest payments at a weighted-average interest rate of 0.26% and received variable-rate interest payments based on the one-month LIBOR from the counterparty without the exchange of the underlying notional amounts of $400 million.

Note 7 – Stockholders' Equity and Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss ("AOCL"), net of related taxes, were as follows:

(Millions of dollars)	Cumulative Foreign Currency Translation Adjustment	Cumulative Unrecognized Pension Cost	Total
Balance December 31, 2021	$ (368)	$ (64)	$ (432)
Other comprehensive loss before reclassifications	(10)	(1)	(11)
Amounts reclassified from AOCL to net earnings	9 [b]	1 [a]	10
Other comprehensive loss, net of tax	(1)	—	(1)
Balance April 2, 2022	$ (369)	$ (64)	$ (433)
Other comprehensive loss before reclassifications	(2)	—	(2)
Amounts reclassified from AOCL to net earnings	—	1 [a]	1
Other comprehensive income (loss), net of tax	(2)	1	(1)
Balance July 2, 2022	$ (371)	$ (63)	$ (434)
Other comprehensive loss before reclassifications	(15)	—	(15)
Amounts reclassified from AOCL to net earnings	—	3 [a]	3
Other comprehensive income (loss), net of tax	(15)	3	(12)
Balance October 1, 2022	$ (386)	$ (60)	$ (446)

(Millions of dollars)	Cumulative Foreign Currency Translation Adjustment	Cumulative Unrecognized Pension Cost	Total
Balance December 31, 2020	$ (376)	$ (95)	$ (471)
Other comprehensive income (loss) before reclassifications	15	(1)	14
Amounts reclassified from AOCL to net earnings	—	2 [a]	2
Other comprehensive income (loss), net of tax	15	1	16
Balance April 3, 2021	$ (361)	$ (94)	$ (455)
Other comprehensive loss before reclassifications	(15)	(1)	(16)
Amounts reclassified from AOCL to net earnings	—	5 [a]	5
Other comprehensive income (loss), net of tax	(15)	4	(11)
Balance July 3, 2021	$ (376)	$ (90)	$ (466)
Other comprehensive income before reclassifications	8	—	8
Amounts reclassified from AOCL to net earnings	—	1 [a]	1
Other comprehensive income, net of tax	8	1	9
Balance October 2, 2021	$ (368)	$ (89)	$ (457)

[a] This reclassification adjustment primarily represents the amortization of actuarial losses (gains) that were included in net periodic pension cost.

[b] This reclassification adjustment primarily reflects the recognition of a currency translation adjustment upon the disposition of a CT&M business in Brazil whose functional currency was the Brazilian real. Upon management's commitment to a plan to dispose, substantially all of this adjustment was previously recognized as an impairment in cost of sales for the year ended December 31, 2021. During the first quarter of 2022, cash proceeds of $4 million, net of cash sold, were received, and accounts receivable of $3 million were recognized for working capital adjustments and other pending matters.

Note 8 – Segment Information

Seaboard has six reportable segments: Pork, CT&M, Marine, Sugar and Alcohol, Power and Turkey, each offering a specific product or service. For details on the respective products or services of each segment, see Note 13 to the consolidated financial statements included in Seaboard's annual report for the year ended December 31, 2021.

On January 1, 2022, Seaboard's Pork segment sold a 50% interest in Seaboard de Mexico USA LLC, its ham-boning operations in Mexico, to Triumph Foods, LLC, a partner in the Pork segment's other joint ventures, for cash proceeds of approximately $9 million, net of cash sold. As a result of this transaction, the subsidiary was deconsolidated and Seaboard's Pork segment recognized a $6 million gain on sale of a controlling interest in a subsidiary, classified in Miscellaneous, net. Seaboard's Pork segment retained a 50% non-controlling interest in Seaboard de Mexico USA LLC, valued at $12 million, that is accounted for using the equity method of accounting.

On September 2, 2022, Seaboard's Pork segment acquired hog inventory and certain hog farms in the central U.S. from The Maschhoffs, LLC for total cash consideration of $58 million. These additional farms increase the Pork segment's sow base, resulting in less reliance on third-party hog suppliers. The purchase was recorded at fair value and the preliminary purchase price allocation was $9 million to inventories, $45 million to property, plant and equipment and $4 million to goodwill. Goodwill represents the assembled workforce and the benefits of acquiring an existing operation.

During the second quarter of 2022, Seaboard's CT&M segment sold a 20% interest in a protein and commodity trading company to the majority owner for cash proceeds of $12 million. After this transaction, Seaboard retains a 20% interest.

The following tables present Seaboard's sales disaggregated by revenue source and segment:

Net Sales:	Three Months Ended October 1, 2022						
(Millions of dollars)	Pork	CT&M	Marine	Sugar and Alcohol	Power	All Other	Consolidated Totals
Major Products/Services Lines:							
Products	$ 500	$ 1,598	$ —	$ 30	$ —	$ 4	$ 2,132
Transportation	3	—	525	—	—	—	528
Energy	167	—	—	3	52	—	222
Other	8	5	—	—	—	—	13
Segment/Consolidated Totals	$ 678	$ 1,603	$ 525	$ 33	$ 52	$ 4	$ 2,895

Net Sales:	Three Months Ended October 2, 2021						
(Millions of dollars)	Pork	CT&M	Marine	Sugar and Alcohol	Power	All Other	Consolidated Totals
Major Products/Services Lines:							
Products	$ 527	$ 1,264	$ —	$ 29	$ —	$ 4	$ 1,824
Transportation	3	—	343	—	—	—	346
Energy	84	—	—	3	10	—	97
Other	6	3	—	—	—	—	9
Segment/Consolidated Totals	$ 620	$ 1,267	$ 343	$ 32	$ 10	$ 4	$ 2,276

Net Sales:	Nine Months Ended October 1, 2022						
(Millions of dollars)	Pork	CT&M	Marine	Sugar and Alcohol	Power	All Other	Consolidated Totals
Major Products/Services Lines:							
Products	$ 1,504	$ 4,872	$ —	$ 85	$ —	$ 12	$ 6,473
Transportation	8	—	1,514	—	—	1	1,523
Energy	428	—	—	3	117	—	548
Other	21	12	—	—	—	—	33
Segment/Consolidated Totals	$ 1,961	$ 4,884	$ 1,514	$ 88	$ 117	$ 13	$ 8,577

Net Sales:	Nine Months Ended October 2, 2021						
(Millions of dollars)	Pork	CT&M	Marine	Sugar and Alcohol	Power	All Other	Consolidated Totals
Major Products/Services Lines:							
Products	$ 1,618	$ 3,784	$ —	$ 79	$ —	$ 11	$ 5,492
Transportation	6	—	962	—	—	1	969
Energy	236	—	—	5	34	—	275
Other	18	11	—	—	—	—	29
Segment/Consolidated Totals	$ 1,878	$ 3,795	$ 962	$ 84	$ 34	$ 12	$ 6,765

The following tables present Seaboard's operating income (loss) and income (loss) from affiliates by segment. Operating income (loss) for segment reporting is prepared on the same basis as that used for consolidated operating income. Operating income (loss), along with income or loss from affiliates for the Pork, CT&M and Turkey segments, is used as the measure to evaluate segment performance because management does not consider interest, other investment income (loss) and income tax benefit (expense) on a segment basis. Administrative services provided by the corporate office are allocated to the individual segments and represent corporate services rendered to and costs incurred for each specific segment, with no allocation to individual segments of general corporate management oversight costs.

Operating Income (Loss):	Three Months Ended		Nine Months Ended	
(Millions of dollars)	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Pork	$ (51)	$ 52	$ (23)	$ 242
CT&M	49	25	91	57
Marine	155	42	423	95
Sugar and Alcohol	1	—	3	—
Power	7	(3)	8	(10)
All Other	—	—	1	1
Segment Totals	161	116	503	385
Corporate	(6)	(4)	(10)	(16)
Consolidated Totals	$ 155	$ 112	$ 493	$ 369

Income (Loss) from Affiliates:	Three Months Ended		Nine Months Ended	
(Millions of dollars)	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Pork	$ 5	$ —	$ 12	$ (2)
CT&M	10	7	19	17
Marine	—	2	3	4
Sugar and Alcohol	—	—	—	—
Power	—	—	—	—
Turkey	33	(10)	60	(19)
Segment/Consolidated Totals	$ 48	$ (1)	$ 94	$ —

The following tables present total assets by segment and the investments in and advances to affiliates by segment. Corporate assets primarily include cash and short-term investments, other current assets related to deferred compensation plans, long-term investments and other miscellaneous items. Corporate operating results represent certain operating costs not specifically allocated to individual segments and include costs related to Seaboard's deferred compensation plans, which are offset by the effect of the mark-to-market adjustments on these investments recorded in other investment income (loss), net.

Total Assets: *(Millions of dollars)*	October 1, 2022	December 31, 2021
Pork	$ 2,582	$ 2,265
CT&M	2,164	2,054
Marine	854	749
Sugar and Alcohol	158	155
Power	349	359
Turkey	307	245
All Other	7	7
Segment Totals	6,421	5,834
Corporate	1,323	1,669
Consolidated Totals	$ 7,744	$ 7,503

Investments in and Advances to Affiliates: *(Millions of dollars)*	October 1, 2022	December 31, 2021
Pork	$ 155	$ 142
CT&M	215	224
Marine	35	33
Sugar and Alcohol	2	4
Power	3	3
Turkey	307	245
Segment/Consolidated Totals	$ 717	$ 651

The Turkey segment, accounted for using the equity method, represents Seaboard's investment in Butterball, LLC ("Butterball"). As of October 1, 2022 and December 31, 2021, Butterball had total assets of $1.2 billion and $1.0 billion, respectively. Butterball's summarized income statement information was as follows:

	Three Months Ended		Nine Months Ended	
(Millions of dollars)	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Net sales	$ 552	$ 464	$ 1,368	$ 1,176
Operating income (loss)	$ 65	$ (15)	$ 105	$ (35)
Net earnings (loss)	$ 63	$ (18)	$ 114	$ (36)

Since 2010, Seaboard held warrants, which upon exercise for a nominal price, enabled Seaboard to acquire an additional 5% equity interest in Butterball. The warrants qualified for equity treatment under accounting standards and were classified as investments in and advances to affiliates in the consolidated balance sheets. Seaboard could exercise these warrants at any time prior to December 31, 2025, when the warrants would have expired. Butterball had the right to repurchase the warrants for fair market value. The warrant agreement essentially provided Seaboard with a 52.5% economic interest, as these warrants were in substance an additional equity interest. Therefore, Seaboard has historically recorded 52.5% of Butterball's earnings as income (loss) from affiliates in the consolidated statements of comprehensive income. On April 19, 2022, Seaboard exercised these warrants for nominal consideration to acquire the additional 5% of the issued and outstanding stock units in Butterball, resulting in no impact to the financial statements. All significant corporate governance matters upon exercise are still to be shared equally between Seaboard and its partner in Butterball. Seaboard did not acquire any new consequential rights upon exercise of the warrants.

Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>

This Management Discussion and Analysis is provided as a supplement to, and should be read in conjunction with, Seaboard's consolidated financial statements and the accompanying notes included in Part I, Item 1 of this quarterly report on Form 10-Q and within Seaboard's annual report on Form 10-K filed for the year ended December 31, 2021. Certain statements in this report contain forward-looking statements. See the section below entitled "Forward-looking Statements" for more information on these forward-looking statements, including a discussion of the most significant factors that could cause actual results to differ materially from those in the forward-looking statements.

LIQUIDITY AND CAPITAL RESOURCES

Management believes Seaboard's combination of internally generated cash, liquidity, capital resources and borrowing capabilities are adequate for its existing operations and any currently known potential plans for expansion in both the short-term and long-term. It is management's intent to continue seeking expansion opportunities in the industries in which Seaboard operates, and to utilize existing liquidity, available borrowing capacity and other financing alternatives for such opportunities. The terms and availability of such financing may be impacted by economic and financial market conditions, as well as Seaboard's financial condition and results of operations at the time Seaboard seeks such financing, and there can be no assurances that Seaboard will be able to obtain such financing on terms that will be acceptable or advantageous.

Liquidity includes cash and cash equivalents, short-term investments and availability under line of credit facilities. As of October 1, 2022, Seaboard had cash and short-term investments of nearly $1.1 billion and additional total net working capital of $1.3 billion. The following table presents a summary of Seaboard's available borrowing capacity under lines of credit.

(Millions of dollars)	Total Amount Available
Short-term uncommitted and committed lines	$ 1,094
Amounts drawn against lines	(490)
Available borrowing capacity as of October 1, 2022	$ 604

As of October 1, 2022, $65 million of the $1.1 billion of cash and short-term investments were held by Seaboard's foreign subsidiaries. Historically, Seaboard has considered substantially all foreign profits as being permanently invested in its foreign operations, including all cash and short-term investments held by foreign subsidiaries. Seaboard intends to continue permanently reinvesting these funds outside the United States ("U.S.") as current plans do not demonstrate a need to repatriate them to fund Seaboard's U.S. operations. For any planned repatriation to the U.S., Seaboard would record applicable deferred taxes for state or foreign withholding taxes.

Cash Flows

Cash and short-term investments as of October 1, 2022 decreased $398 million from December 31, 2021. The decrease was primarily due to liquidation of short-term investments for working capital and capital expenditure needs and the valuation of short-term investments due to the volatility in the capital markets. Cash from operating activities increased $281 million for the nine months ended October 1, 2022, compared to the same period in 2021, primarily due to higher cash earnings.

During the nine months ended October 1, 2022, Seaboard invested $367 million in property, plant and equipment, of which $223 million was invested in the Pork segment for biogas recovery projects, normal replacement of breeding herd and other investments, and $128 million was invested in the Marine segment primarily to purchase two used vessels and fund installment payments on vessels under construction.

For the remainder of 2022, management has budgeted capital expenditures totaling approximately $245 million. Planned expenditures in the Pork segment are primarily for biogas recovery projects, a 15-megawatt solar field in Hugoton, Kansas, and other investments. At certain hog farms, the Pork segment is constructing biogas recovery facilities to capture methane from its hog lagoons and inject it as natural renewable gas into the local pipeline infrastructure. Planned expenditures for the Marine segment include installment payments on vessels under construction. During the third quarter of 2022, Seaboard's Marine segment executed contracts to build three additional dual-fueled ships that are estimated to cost $62 million each for a total cash outlay of approximately $186 million. The payments for all six vessels under construction are made in accordance with milestones achieved over the course of construction. The three initial vessels are expected to be complete in 2024 and the three additional vessels are expected to be complete in 2025. Management anticipates paying for these capital expenditures from a combination of available cash, the use of available short-term investments and Seaboard's available borrowing capacity.

Seaboard's Pork segment purchased a hog farm operation during the third quarter of 2022 for $58 million of cash consideration. Future investments are expected to accommodate this growth. Also, Seaboard continues to make long-term investments in renewable energy facilities and real estate with $113 million in contributions for the nine months ended October 1, 2022.

Seaboard's line of credit balances are used to fund working capital and investment in capital expenditures, as needed. Seaboard's primary debt outstanding is a Term Loan due in 2028 with a balance of $672 million as of October 1, 2022. See Note 4 to the condensed consolidated financial statements for further discussion of lines of credit and long-term debt.

RESULTS OF OPERATIONS

Net sales for the three and nine month periods of 2022 increased $619 million and $1.8 billion, respectively, compared to the same periods in 2021. The increase for the three and nine month periods primarily reflected higher sales prices and volumes of certain commodities in the CT&M segment, higher freight rates in the Marine segment, the commencement of operations of a second barge in the Power segment, and higher biodiesel credit sales, partially offset by lower volumes of market hogs and pork products sold in the Pork segment.

Operating income increased $43 million and $124 million for the three and nine month periods of 2022, respectively, compared to the same periods in 2021. The increase for the three and nine month periods primarily reflected higher voyage revenue in the Marine segment, higher margins on certain commodities in the CT&M segment and more power generation in the Power segment, partially offset by lower margins on pork product and market hog sales in the Pork segment.

Pork Segment

	Three Months Ended		Nine Months Ended	
(Millions of dollars)	October 1, 2022	October 2, 2021	October 1, 2022	October 2, 2021
Net sales	$ 678	$ 620	$ 1,961	$ 1,878
Operating income (loss)	$ (51)	$ 52	$ (23)	$ 242
Income (loss) from affiliates	$ 5	$ —	$ 12	$ (2)

Net sales for the Pork segment increased $58 million and $83 million for the three and nine month periods of 2022, respectively, compared to the same periods in 2021. The increase for the three month period primarily reflected higher sales of biofuel credits, and to a lesser extent, higher biodiesel and pork product prices, partially offset by lower volumes and prices of market hogs and lower volumes for pork products sold. The increase for the nine month period primarily reflected increased sales of biofuel credits and higher biodiesel and pork product prices, largely offset by a decrease in volumes of biodiesel and pork products sold and lower volumes and prices of market hogs sold.

Operating income for the Pork segment decreased $103 million and $265 million for the three and nine month periods of 2022, respectively, compared to the same periods in 2021. The decrease for the three month period primarily reflected lower margins on pork product and market hog sales due to higher costs of hogs, including an inventory adjustment, and higher feed and plant processing costs. During the third quarter of 2022, the Pork segment recorded a lower of cost or market inventory valuation adjustment associated with a combination of factors, including the decline in quoted market hog prices and higher grain costs during the period. The decrease for the nine month period primarily reflected lower margins on pork product and market hog sales due to higher costs of hogs, including an inventory adjustment, and higher feed and plant processing costs, biodiesel-related mark-to-market derivative contract losses, higher feedstock costs for biofuel operations and higher start-up costs for renewable diesel operations. During the third quarter of 2022, the renewable diesel plant in Hugoton, Kansas, began commercial operations. Management is unable to predict market prices for pork products or biodiesel or the costs of feed or third-party hogs for future periods. Based on current conditions, management predicts this segment will not be profitable for the remainder of 2022.

Income from affiliates increased $5 million and $14 million for the three and nine month periods of 2022, respectively, compared to the same periods in 2021. The increase primarily reflected improved operations at the Pork segment's pork processing plant affiliate.

CT&M Segment

(Millions of dollars)	Three Months Ended October 1, 2022		Three Months Ended October 2, 2021		Nine Months Ended October 1, 2022		Nine Months Ended October 2, 2021	
Net sales	$	1,603	$	1,267	$	4,884	$	3,795
Operating income as reported	$	49	$	25	$	91	$	57
Mark-to-market adjustments		(1)		(13)		26		8
Operating income excluding mark-to-market adjustments	$	48	$	12	$	117	$	65
Income from affiliates	$	10	$	7	$	19	$	17

Net sales for the CT&M segment increased $336 million and $1.1 billion for the three and nine month periods of 2022, respectively, compared to the same periods in 2021. The increase for the three and nine month periods primarily reflected higher sales prices, and to a lesser extent, higher volumes of certain commodities to third-party customers, offset by lower volumes to affiliates.

Operating income for this segment increased $24 million and $34 million for the three and nine month periods of 2022, respectively, compared to the same periods in 2021. The increase for the three and nine month periods primarily reflected higher margins on certain commodities and costs associated with operational changes recorded in the third quarter of 2021 not repeated in the current year, partially offset by derivative contract losses related to mark-to-market adjustments. Due to worldwide commodity price fluctuations, the uncertain political and economic conditions in the countries in which this segment operates and the volatility in the commodity markets, management is unable to predict sales and operating results for this segment for future periods. However, management anticipates positive operating income for this segment for the remainder of 2022, excluding the effects of marking to market derivative contracts.

Had Seaboard not applied mark-to-market accounting to its derivative instruments, operating income for this segment would have been lower by $1 million and higher by $26 million for the three and nine month periods of 2022, respectively, and lower by $13 million and higher by $8 million for the three and nine month periods of 2021, respectively. While management believes its commodity futures, options and foreign exchange contracts are primarily economic hedges of its firm purchase and sales contracts and anticipated sales contracts, Seaboard does not perform the extensive record-keeping required to account for these transactions as hedges for accounting purposes. Accordingly, while the changes in value of the derivative instruments were marked to market, the changes in value of the firm purchase or sales contracts were not. As commodities are delivered to customers, these existing mark-to-market adjustments should be primarily offset by realized margins or losses as revenue is recognized over time, and these mark-to-market adjustments could reverse in 2022. Management believes eliminating these mark-to-market adjustments provides a more reasonable presentation to compare and evaluate period-to-period financial results for this segment.

Marine Segment

(Millions of dollars)	Three Months Ended October 1, 2022		Three Months Ended October 2, 2021		Nine Months Ended October 1, 2022		Nine Months Ended October 2, 2021	
Net sales	$	525	$	343	$	1,514	$	962
Operating income	$	155	$	42	$	423	$	95

Net sales for the Marine segment increased $182 million and $552 million for the three and nine month periods of 2022, respectively, compared to the same periods in 2021. The increase for the three month period of 2022 primarily reflected higher freight rates, partially offset by lower cargo volumes. The increase for the nine month period of 2022 primarily reflected higher freight rates, and to a lesser extent, higher cargo volumes.

Operating income increased $113 million and $328 million for the three and nine month periods of 2022, respectively, compared to the same periods in 2021. The increase for the three and nine month periods primarily reflected higher revenues, partially offset by higher voyage related costs, including charter hire costs, fuel costs, and other operational costs primarily due to increased prices. Management cannot predict changes in fuel costs or other voyage costs, cargo volumes or cargo rates for future periods; however, management anticipates this segment will be profitable for the remainder of 2022.

Sugar and Alcohol Segment

(Millions of dollars)	Three Months Ended October 1, 2022	Three Months Ended October 2, 2021	Nine Months Ended October 1, 2022	Nine Months Ended October 2, 2021
Net sales	$ 33	$ 32	$ 88	$ 84
Operating income	$ 1	$ —	$ 3	$ —

Net sales for the Sugar and Alcohol segment increased $1 million and $4 million for the three and nine month periods of 2022, respectively, compared to the same periods in 2021. The increase for the three and nine month periods primarily reflected higher prices of alcohol and sugar sold, partially offset by lower volumes of alcohol, sugar and energy sold as a result of low inventory levels from recent harvests. Sugar and alcohol sales are denominated in Argentine pesos, and an increase in local sales prices may be offset by exchange rate changes in the Argentine peso against the U.S. dollar.

Operating income for the Sugar and Alcohol segment increased $1 million and $3 million for the three and nine month periods of 2022, respectively, compared to the same periods in 2021. For the three and nine month periods, the increase primarily reflected higher margins on sugar and alcohol sales and lower selling, general and administrative expenses, partially offset by lower volumes sold. Management cannot predict local sugar and alcohol prices or the volatility in the currency exchange rate for future periods. Based on these conditions, management cannot predict if this segment will be profitable for the remainder of 2022.

Power Segment

(Millions of dollars)	Three Months Ended October 1, 2022	Three Months Ended October 2, 2021	Nine Months Ended October 1, 2022	Nine Months Ended October 2, 2021
Net sales	$ 52	$ 10	$ 117	$ 34
Operating income (loss)	$ 7	$ (3)	$ 8	$ (10)

Net sales for the Power segment increased $42 million and $83 million for the three and nine month periods of 2022, respectively, compared to the same periods in 2021. The increase for the three month period primarily reflected more power generation from the operation of both power barges, EDM II and EDM III, partially offset by lower spot market rates. The increase for the nine month period primarily reflected more power generation from the operation of both power barges and higher spot market rates as a result of higher fuel prices. During the second quarter of 2022, EDM III, the new barge, was placed in service with capacity to generate 148 megawatts of electricity.

Operating income for the Power segment increased $10 million and $18 million for the three and nine month periods of 2022, respectively, compared to the same periods in 2021. The increase for the three and nine month periods primarily reflected higher revenues, partially offset by higher operational costs, including fuel costs. Management cannot predict fuel costs or the extent that spot market rates will fluctuate compared to fuel costs or other power producers for future periods; however, management anticipates this segment will be profitable for the remainder of 2022. Management continues to explore strategic alternatives, including a sale or relocation, for EDM II, the barge that began operations in 2012.

Turkey Segment

(Millions of dollars)	Three Months Ended October 1, 2022	Three Months Ended October 2, 2021	Nine Months Ended October 1, 2022	Nine Months Ended October 2, 2021
Income (loss) from affiliates	$ 33	$ (10)	$ 60	$ (19)

The Turkey segment, accounted for using the equity method, represents Seaboard's investment in Butterball, LLC. The increase in income from affiliates for the three month period of 2022 compared to the same period in 2021 was primarily the result of higher selling prices due to product mix and grain-related mark-to-market derivative contract gains, partially offset by lower volumes of turkey products sold and higher feed costs. The increase in income from affiliates for the nine month period of 2022 compared to the same period in 2021 was primarily the result of higher selling prices and Seaboard's portion of a gain on the sale of a business, partially offset by lower volumes of turkey products sold and higher feed, plant production and transportation costs. Management is unable to predict market prices for turkey products or the cost of feed for future periods; however, management anticipates this segment will be profitable for the remainder of 2022.

Selling, General and Administrative Expenses
Selling, general and administrative ("SG&A") expenses increased $4 million and $9 million for the three and nine month periods of 2022, respectively, compared to the same periods in 2021. The increase for the three and nine month periods was primarily the result of higher personnel costs related to wages and other benefits and higher consulting costs, partially offset by lower pension settlements and costs associated with Seaboard's deferred compensation program. The deferred compensation program costs are offset by the effect of the mark-to-market on investments recorded in other investment income (loss), net.

Interest Expense
Interest expense increased $2 million and $16 million for the three and nine month periods of 2022, respectively, compared to the same periods in 2021. The increase for the three month period was primarily related to higher interest rates on more outstanding debt, partially offset by adjustments to a contingent consideration liability discussed further in Note 6 to the condensed consolidated financial statements. The increase for the nine month period was primarily related to higher interest rates on more outstanding debt and mark-to-market gains on interest rate swap agreements in the prior year. During the third quarter of 2021, Seaboard early terminated all of its interest rate swap agreements.

Other Investment Income (Loss), Net
Other investment income (loss), net, decreased $55 million and $399 million for the three and nine month periods of 2022, respectively, compared to the same periods in 2021. The decrease for the three-month period was primarily due to mark-to-market fluctuations on investments. The decrease for the nine-month period was primarily due to mark-to-market fluctuations on investments, lesser amounts of realized gains and a $46 million charge recorded during the second quarter of 2022 related to a long-term solar energy investment discussed further in Note 2 to the condensed consolidated financial statements. The charge on this long-term investment is offset with the benefit of the investment tax credits recorded in income tax benefit (expense).

Foreign Currency Gains (Losses), Net
Foreign currency gains (losses), net, increased $4 million and $14 million for the three and nine month periods of 2022, respectively, compared to the same periods in 2021 primarily due to fluctuations in the South African rand and fluctuations of other currency exchange rates in several foreign countries.

Income Tax Benefit (Expense)
The effective tax rate for the three and nine month periods of 2022 decreased compared to the same respective periods in 2021 primarily due to an increase in federal investment tax credits available for the nine month period of 2022. See Note 2 to the condensed consolidated financial statements for further discussion of these credits.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Seaboard is exposed to various types of market risks in its day-to-day operations. Primary market risk exposures result from changing commodity prices, foreign currency exchange rates, interest rates and equity prices. Occasionally, Seaboard utilizes derivative instruments to manage these overall market risks. The nature of Seaboard's market risk exposure related to these items has not changed materially since December 31, 2021. See Note 6 to the condensed consolidated financial statements for further discussion of market risk exposure.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures — Seaboard's management evaluated, under the direction of the Chief Executive and Chief Financial Officers, the effectiveness of Seaboard's disclosure controls and procedures as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of October 1, 2022. 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 provide reasonable assurance that information required to be disclosed in the reports it files and submits under the Exchange Act 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.

Change in Internal Control Over Financial Reporting — There have been no changes in Seaboard's internal control over financial reporting required by Exchange Act Rule 13a-15(f) that occurred during the fiscal quarter ended October 1, 2022 that has materially affected, or is reasonably likely to materially affect, Seaboard's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

For information related to Seaboard's legal proceedings, see Note 4 to the condensed consolidated financial statements.

Item 1A. Risk Factors

There have been no material changes in the risk factors as previously disclosed in Seaboard's annual report on Form 10-K for the year ended December 31, 2021.

Item 6. Exhibits

Exhibit No.	Description
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
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

Forward-looking Statements

This Form 10-Q contains “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including with respect to the financial condition, results of operations, plans, objectives, future performance and business of 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 projection of revenues, income or loss, adequate liquidity levels, capital expenditures, capital structure or other financial items, including the impact of mark-to-market accounting on operating income; 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 sales price or market conditions for pork, agricultural commodities, biodiesel, sugar, alcohol, 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 CT&M segment; (vi) the charter hire rates and fuel prices for vessels; (vii) the fuel costs and related spot market prices for electricity 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 segments; (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 impact of pandemics or other public health emergencies, such as the COVID-19 pandemic or any resurgence thereof; (xiii) potential future impact on Seaboard’s business of new legislation, rules or policies; (xiv) adverse results in pending litigation matters; 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. Forward-looking statements are based only on Seaboard’s current beliefs, expectations and assumptions regarding its future financial condition, results of operations, plans, objectives, performance and business. 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, except as required by law. 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. Such factors include risks associated with international operations, deterioration of economic conditions, interest rate fluctuations, inflation, supply chain and labor market disruptions, stock price fluctuations, decentralization of operations, investments in non-consolidated affiliates, cyber-attacks and cybersecurity breaches, the food industry, fluctuations in commodity prices, difficulties in obtaining and retaining appropriate personnel, disruptions of operations of suppliers and co-packers, ocean transportation, fluctuations in fuel costs, general risks of litigation, compliance with complex rules and regulations, including stringent environmental regulation, and specific risks relating to Seaboard's segments. The information contained in this report, including without limitation the information under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” as well as the information included under the caption “Risk Factors” in Seaboard’s latest annual report on Form 10-K, as supplemented in this Form 10-Q, describes these factors and identifies other important factors that could cause such differences.

SIGNATURES

Pursuant to the requirements 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
(Registrant)

by: /s/ David H. Rankin
David H. Rankin
Executive Vice President, Chief Financial Officer

(principal financial officer)

Date: November 1, 2022

by: /s/ Michael D. Trollinger
Michael D. Trollinger
Senior Vice President, Corporate Controller
and Chief Accounting Officer

(principal accounting officer)

Date: November 1, 2022

Exhibit 31.1

CERTIFICATIONS

I, Robert L. Steer, certify that:

1. I have reviewed this report on Form 10-Q 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 my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me 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 my 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 my 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 my 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 control 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 control over financial reporting.

Date: November 1, 2022

/s/ Robert L. Steer
Robert L. Steer
President, Chief Executive Officer

(principal executive officer)

Exhibit 31.2

CERTIFICATIONS

I, David H. Rankin, certify that:

1. I have reviewed this report on Form 10-Q 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 control 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 control over financial reporting.

Date: November 1, 2022

/s/ David H. Rankin
David H. Rankin
Executive Vice President,
Chief Financial Officer

(principal financial officer)

Exhibit 32.1

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 Quarterly Report on Form 10-Q for the fiscal quarter ended October 1, 2022 (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 Section 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: November 1, 2022

/s/ Robert L. Steer
Robert L. Steer
President and Chief Executive Officer

(principle executive officer)

Exhibit 32.2

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 Quarterly Report on Form 10-Q for the fiscal quarter ended October 1, 2022 (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 Section 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: November 1, 2022

/s/ David H. Rankin
David H. Rankin
Executive Vice President and Chief Financial Officer

(principle financial officer)