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SEABOARD CORP /DE/  
Form 10-Q  
May 06, 2011

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 April 2, 2011

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 (I.R.S. Employer Identification No.)  
incorporation or organization)

9000 W. 67th Street, Shawnee Mission, Kansas 66202  
(Address of principal executive offices) (Zip Code)

(913) 676-8800  
(Registrant's telephone number, including area code)

Not Applicable  
(Former name, former address and former fiscal year, if changed  
since last report.)

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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large

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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 Exchange Act). Yes  No .

There were 1,215,879 shares of common stock, \$1.00 par value per share, outstanding on April 22, 2011.

Total pages in filing - 22 pages

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PART I - FINANCIAL INFORMATION  
 Item 1. Financial Statements

SEABOARD CORPORATION AND SUBSIDIARIES  
 Condensed Consolidated Statements of Earnings  
 (Thousands of dollars except share and per share amounts)  
 (Unaudited)

	Three Months Ended	
	April 2, 2011	April 3, 2010
Net sales:		
Products (includes sales to affiliates of \$162,268 and \$125,830)	\$1,197,622	\$ 772,587
Services	238,212	214,720
Other	32,345	32,969
Total net sales	1,468,179	1,020,276
Cost of sales and operating expenses:		
Products	1,049,797	691,156
Services	206,218	185,728
Other	27,058	27,376
Total cost of sales and operating expenses	1,283,073	904,260
Gross income	185,106	116,016
Selling, general and administrative expenses	54,830	48,550
Operating income	130,276	67,466
Other income (expense):		
Interest expense	(1,516)	(2,316)
Interest income	2,297	3,317
Interest income from affiliates	3,833	139
Income from affiliates	6,162	4,888
Other investment income, net	2,340	3,044
Foreign currency gain, net	4,764	38
Miscellaneous, net	788	194
Total other income, net	18,668	9,304
Earnings before income taxes	148,944	76,770
Income tax expense	(32,251)	(14,107)
Net earnings	\$ 116,693	\$ 62,663

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Less: Net loss attributable to noncontrolling interests	171	115
Net earnings attributable to Seaboard	\$ 116,864	\$ 62,778
Earnings per common share	\$ 96.11	\$ 50.84
Dividends declared per common share	\$ -	\$ 0.75
Average number of shares outstanding	1,215,879	1,234,710

See accompanying notes to condensed consolidated financial statements.

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### SEABOARD CORPORATION AND SUBSIDIARIES Condensed Consolidated Balance Sheets (Thousands of dollars) (Unaudited)

	April 2, 2011	December 31, 2010
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 34,463	\$ 41,124
Short-term investments	300,210	332,205
Receivables, net of allowance	456,052	359,944
Inventories	547,420	533,761
Deferred income taxes	18,497	18,393
Deferred costs	-	84,141
Other current assets	142,927	115,844
<b>Total current assets</b>	<b>1,499,569</b>	<b>1,485,412</b>
Investments in and advances to affiliates	341,020	331,322
Net property, plant and equipment	718,546	701,131
Note receivable from affiliate	92,631	90,109
Goodwill	40,628	40,628
Intangible assets, net	19,684	19,746
Other assets	67,701	65,738
<b>Total assets</b>	<b>\$2,779,779</b>	<b>\$2,734,086</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities:</b>		
Notes payable to banks	\$ 120,961	\$ 78,729
Current maturities of long-term debt	1,711	1,697
Accounts payable	120,332	146,265
Deferred revenue	41,160	122,344
Deferred revenue from affiliates	34,537	38,719
Other current liabilities	236,487	250,441
<b>Total current liabilities</b>	<b>555,188</b>	<b>638,195</b>
Long-term debt, less current maturities	106,640	91,407
Deferred income taxes	68,605	75,695
Other liabilities	154,604	150,540
<b>Total non-current and deferred liabilities</b>	<b>329,849</b>	<b>317,642</b>
<b>Stockholders' equity:</b>		
Common stock of \$1 par value, Authorized 1,250,000 shares; issued and outstanding 1,215,879 shares	1,216	1,216
Accumulated other comprehensive loss	(124,060)	(123,907)

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Retained earnings	2,014,761	1,897,897
Total Seaboard stockholders' equity	1,891,917	1,775,206
Noncontrolling interests	2,825	3,043
Total equity	1,894,742	1,778,249
Total liabilities and stockholders' equity	\$2,779,779	\$2,734,086

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended	
	April 2, 2011	April 3, 2010
Cash flows from operating activities:		
Net earnings	\$ 116,693	\$ 62,663
Adjustments to reconcile net earnings to cash from operating activities:		
Depreciation and amortization	20,274	21,853
Income from affiliates	(6,162)	(4,888)
Other investment income, net	(2,340)	(3,044)
Deferred income taxes	(6,897)	478
Pay-in-kind interest on note receivable from affiliate	(2,521)	-
Other	225	(519)
Changes in current assets and liabilities:		
Receivables, net of allowance	(96,552)	(47,592)
Inventories	(14,261)	66,404
Other current assets	58,418	(23,145)
Current liabilities, exclusive of debt	(125,463)	1,873
Other, net	3,701	3,458
Net cash from operating activities	(54,885)	77,541
Cash flows from investing activities:		
Purchase of short-term investments	(38,664)	(187,625)
Proceeds from the sale of short-term investments	67,000	142,788
Proceeds from the maturity of short-term investments	3,985	11,150
Investments in and advances to affiliates, net	(3,637)	(7,652)
Capital expenditures	(39,029)	(16,342)
Other, net	99	1,145
Net cash from investing activities	(10,246)	(56,536)
Cash flows from financing activities:		
Notes payable to banks, net	42,232	(14,301)
Proceeds from the issuance of long-term debt	15,345	-
Principal payments of long-term debt	(96)	(843)
Repurchase of common stock	-	(7,149)
Dividends paid	-	(925)
Other, net	53	80
Net cash from financing activities	57,534	(23,138)
Effect of exchange rate change on cash	936	(109)
Net change in cash and cash equivalents	(6,661)	(2,242)
Cash and cash equivalents at beginning of year	41,124	61,857

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Cash and cash equivalents at end of period \$ 34,463 \$ 59,615

See accompanying notes to condensed consolidated financial statements.

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### SEABOARD CORPORATION AND SUBSIDIARIES

#### Notes to Condensed Consolidated Financial Statements (Unaudited)

##### Note 1 - Accounting Policies and Basis of Presentation

The condensed consolidated financial statements include the accounts of Seaboard Corporation and its domestic and foreign subsidiaries ("Seaboard"). All significant intercompany balances and transactions have been eliminated in consolidation. Seaboard's investments in non-consolidated affiliates are accounted for by the equity method. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of Seaboard for the year ended December 31, 2010 as filed in its Annual Report on Form 10-K. Seaboard's first three quarterly periods include approximately 13 weekly periods ending on the Saturday closest to the end of March, June and September. Seaboard's year-end is December 31.

The accompanying unaudited condensed consolidated financial statements include all adjustments (consisting only of normal recurring accruals) which, in the opinion of management, are necessary for a fair presentation of financial position, results of operations and cash flows. Results of operations for interim periods are not necessarily indicative of results to be expected for a full year. As Seaboard conducts its commodity trading business with third parties, consolidated subsidiaries and non-consolidated affiliates on an interrelated basis, gross margin on non-consolidated affiliates cannot be clearly distinguished without making numerous assumptions primarily with respect to mark-to-market accounting for commodity derivatives.

##### Note Receivable from Affiliate

Seaboard has a note receivable from an affiliate (Butterball, LLC) in the amount of \$92,631,000 at April 2, 2011. Seaboard monitors the credit quality of this note receivable by obtaining and reviewing financial information for this affiliate on a monthly basis and by having Seaboard representatives serve on the Board of Directors of this affiliate. Seaboard recognized \$2,521,000 of pay-in-kind interest in the first quarter of 2011 related to this note receivable.

##### Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. Significant items subject to such estimates and assumptions include those related to allowance for doubtful accounts, valuation of inventories, impairment of long-lived assets, goodwill and other intangible assets, income taxes and accrued pension liability. Actual results could differ from those estimates.

##### Note 2- Investments

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Seaboard's short-term investments are treated as either available-for-sale securities or trading securities. All of Seaboard's available-for-sale and trading securities are classified as current assets as they are readily available to support Seaboard's current operating needs. Available-for-sale securities are recorded at their estimated fair value with unrealized gains and losses reported, net of tax, as a separate component of accumulated other comprehensive income. Trading securities are recorded at their estimated fair value with unrealized gains and losses reflected in the statement of earnings.

As of April 2, 2011 and December 31, 2010, the available-for-sale investments primarily consisted of money market funds, fixed rate municipal notes and bonds, corporate bonds, fixed income mutual funds and U.S. Government obligations. At April 2, 2011, money market funds included \$73,031,000 denominated in Euros. At April 2, 2011 and December 31, 2010, amortized cost and estimated fair value were not materially different for these investments.

As of April 2, 2011, the trading securities primarily consisted of high yield debt securities. Unrealized net gains related to trading securities were \$330,000 and \$87,000 for the three months ended April 2, 2011 and April 3, 2010, respectively.

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The following is a summary of the amortized cost and estimated fair value of short-term investments for both available-for-sale and trading securities at April 2, 2011 and December 31, 2010.

(Thousands of dollars)	2011		2010	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Corporate bonds	\$ 92,006	\$ 93,143	\$ 86,182	\$ 87,401
Money market funds	74,269	74,269	110,164	110,164
Fixed income mutual funds	60,334	60,490	60,256	60,302
Fixed rate municipal notes and bonds	20,819	20,927	20,564	20,648
U.S. Government agency securities	15,849	15,750	17,503	17,514
Variable rate demand notes	3,000	3,000	-	-
U.S. Treasury securities	2,446	2,445	7,139	7,148
Asset backed debt securities	2,364	2,364	2,847	2,848
Other	2,360	2,364	2,360	2,355
Total available-for-sale short-term investments	273,447	274,752	307,015	308,380
High yield trading debt securities	20,369	21,848	19,447	20,783
Other trading debt securities	3,317	3,610	2,807	3,042
Total available-for-sale and trading short term investments	\$297,133	\$300,210	\$329,269	\$332,205

The following table summarizes the estimated fair value of fixed rate securities designated as available-for-sale classified by the contractual maturity date of the security as of April 2, 2011.

(Thousands of dollars)	2011
Due within one year	\$ 19,515
Due after one year through three years	66,724
Due after three years	21,366
Total fixed rate securities	\$107,605

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In addition to its short-term investments, Seaboard also has trading securities related to Seaboard's deferred compensation plans classified in other current assets on the Condensed Consolidated Balance Sheets. See Note 5 to the Condensed Consolidated Financial Statements for information on the types of trading securities held related to the deferred compensation plans.

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### Note 3 - Inventories

The following is a summary of inventories at April 2, 2011 and December 31, 2010:

(Thousands of dollars)	April 2, 2011	December 31, 2010
At lower of LIFO cost or market:		
Live hogs and materials	\$208,870	\$200,600
Fresh pork and materials	33,077	24,779
	241,947	225,379
LIFO adjustment	(32,975)	(24,085)
Total inventories at lower of LIFO cost or market	208,972	201,294
At lower of FIFO cost or market:		
Grains and oilseeds	211,380	203,232
Sugar produced and in process	51,431	50,190
Other	41,561	44,013
Total inventories at lower of FIFO cost or market	304,372	297,435
Grain, flour and feed at lower of weighted average cost or market	34,076	35,032
Total inventories	\$547,420	\$533,761

As of April 2, 2011, Seaboard had \$4,200,000 recorded in grain inventories related to its commodity trading business that are committed to various customers in foreign countries for which customer contract performance is a heightened concern. If Seaboard is unable to collect amounts from these customers as currently estimated or Seaboard is forced to find other customers for a portion of this inventory, it is possible that Seaboard could incur a material write-down in the value of this inventory if Seaboard is not successful in selling at the current carrying value. During the first quarter of 2011, Seaboard incurred a write-down of \$1,698,000 (with no tax benefit recognized), or \$1.40 per share, related to these types of inventories.

### Note 4 - Income Taxes

Seaboard's tax returns are regularly audited by federal, state and foreign tax authorities, which may result in adjustments. Seaboard's U.S. federal income tax returns have been reviewed through the 2004 tax year. The statute of limitations has expired on the 2005 tax year. Seaboard's 2006-2009 U.S. income tax returns are currently under IRS examination. There have not been any material changes in unrecognized income tax benefits since December 31, 2010. Interest related to unrecognized tax benefits and penalties was not material for the three months ended April 2, 2011.

### Note 5 - Derivatives and Fair Value of Financial Instruments

U.S. GAAP discusses valuation techniques, such as the market approach (prices and other relevant information generated by market conditions

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involving identical or comparable assets or liabilities), the income approach (techniques to convert future amounts to single present amounts based on market expectations including present value techniques and option-pricing), and the cost approach (amount that would be required to replace the service capacity of an asset which is often referred to as replacement cost). U.S. GAAP utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

**Level 1:** Observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

**Level 3:** Unobservable inputs that reflect the reporting entity's own assumptions.

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The following table shows assets and liabilities measured at fair value on a recurring basis as of April 2, 2011 and also the level within the fair value hierarchy used to measure each category of assets. Seaboard uses the end of the reporting period to determine if there were any transfers between levels. There were no transfers between levels that occurred in the first quarter of 2011. The trading securities classified as other current assets below are assets held for Seaboard's deferred compensation plans.

(Thousands of dollars)	Balance April 2, 2011	Level 1	Level 2	Level 3
<b>Assets:</b>				
<b>Available-for-sale securities - short-term investments:</b>				
Corporate bonds	\$ 93,143	\$ -	\$ 93,143	\$ -
Money market funds	74,269	74,269	-	-
Fixed income mutual funds	60,490	60,490	-	-
Fixed rate municipal notes and bonds	20,927	-	20,927	-
U.S. Government agency securities	15,750	-	15,750	-
Variable rate demand notes	3,000	-	3,000	-
U.S. Treasury securities	2,445	-	2,445	-
Asset backed debt securities	2,364	-	2,364	-
Other	2,364	-	2,364	-
<b>Trading securities - short-term investments:</b>				
High yield debt securities	21,848	-	21,848	-
Other debt securities	3,610	-	3,610	-
<b>Trading securities - other current assets:</b>				
Domestic equity securities	14,857	14,857	-	-
Foreign equity securities	9,222	4,784	4,438	-
Fixed income mutual funds	4,936	4,936	-	-
Money market funds	3,494	3,494	-	-
U.S. Treasury securities	2,257	-	2,257	-
U.S. Government agency securities	1,972	-	1,972	-
Other	179	154	25	-
<b>Derivatives:</b>				

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Commodities	16,602	16,475	127	-
Interest rate swaps	1,977	-	1,977	-
Foreign currencies	22	-	22	-
Total Assets	\$355,728	\$179,459	\$176,269	\$ -

Liabilities:

Derivatives:

Commodities(1)	\$ 14,917	\$ 14,917	\$ -	\$ -
Interest rate swaps	497	-	497	-
Foreign currencies	7,672	-	7,672	-
Total Liabilities	\$ 23,086	\$ 14,917	\$ 8,169	\$ -

(1) Excludes \$11,912 of option proceeds resulting in a net liability of \$3,005 as of April 2, 2011.

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The following table shows assets and liabilities measured at fair value on a recurring basis as of December 31, 2010 and also the level within the fair value hierarchy used to measure each category of assets.

(Thousands of dollars)	Balance			
	December 31, 2010	Level 1	Level 2	Level 3
<b>Assets:</b>				
Available-for-sale securities - short-term investments:				
Money market funds	\$110,164	\$110,164	\$ -	\$ -
Corporate bonds	87,401	-	87,401	-
Fixed income mutual funds	60,302	60,302	-	-
Fixed rate municipal notes and bonds	20,648	-	20,648	-
U.S. Government agency securities	17,514	-	17,514	-
U.S. Treasury securities	7,148	-	7,148	-
Asset backed debt securities	2,848	-	2,848	-
Other	2,355	-	2,355	-
Trading securities- short term investments:				
High yield debt securities	20,783	-	20,783	-
Other debt securities	3,042	-	3,042	-
Trading securities - other current assets:				
Domestic equity securities	13,332	13,332	-	-
Foreign equity securities	8,157	4,131	4,026	-
Fixed income mutual funds	3,758	3,758	-	-
Money market funds	3,208	3,208	-	-
U.S. Treasury securities	2,732	-	2,732	-
U.S. Government agency securities	1,371	-	1,371	-
Other	183	157	26	-
<b>Derivatives:</b>				
Commodities	15,966	15,958	8	-
Interest rate swaps	1,410	-	1,410	-
Foreign currencies	120	-	120	-
Total Assets	\$382,442	\$211,010	\$171,432	\$ -
<b>Liabilities:</b>				
<b>Derivatives:</b>				
Commodities (1)	\$ 9,170	\$ 9,170	\$ -	\$ -
Interest rate swaps	1,161	-	1,161	-
Foreign currencies	11,652	-	11,652	-
Total Liabilities	\$21,983	\$ 9,170	\$ 12,813	\$ -

(1) Excludes \$5,163 of option proceeds resulting in a net liability of

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\$4,007 as of December 31, 2010.

Financial instruments consisting of cash and cash equivalents, net receivables, notes payable, 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 long-term debt is estimated by comparing interest rates for debt with similar terms and maturities. The amortized cost and estimated fair values of investments and long-term debt at April 2, 2011 and December 31, 2010 are presented below.

(Thousands of dollars)	2011		2010	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Short-term investments, available-for-sale	\$273,447	\$274,752	\$307,015	\$308,380
Short-term investments, trading debt securities	23,686	25,458	22,254	23,825
Long-term debt	108,351	111,343	93,104	96,438

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While management believes its derivatives are primarily economic hedges of its firm purchase and sales contracts or anticipated sales contracts, Seaboard does not perform the extensive record-keeping required to account for these types of transactions as hedges for accounting purposes. Since these derivatives and interest rate exchange agreements discussed below, are not accounted for as hedges, fluctuations in the related commodity prices, currency exchange rates and interest rates could have a material impact on earnings in any given period. The nature of Seaboard's market risk exposure has not changed materially since December 31, 2010.

### Commodity Instruments

Seaboard uses various grain, meal, hog, and energy resource related futures and options to manage its risk to price fluctuations for raw materials and other inventories, finished product sales and firm sales commitments. At April 2, 2011, Seaboard had open net derivative contracts to purchase 5,854,000 bushels of grain, 3,240,000 pounds of hogs, 91,000 tons of soybean meal and 22,080,000 pounds of soybean oil and open net derivative contracts to sell 4,032,000 gallons of heating oil. At December 31, 2010, Seaboard had open net derivative contracts to purchase 5,880,000 bushels of grain, 2,900 tons of soybean meal and 43,240,000 pounds of hogs and open net derivative contracts to sell 1,806,000 gallons of heating oil. From time to time, Seaboard may enter into speculative derivative transactions not directly related to its raw material requirements. Commodity derivatives are recorded at fair value with any changes in fair value being marked to market as a component of cost of sales on the Condensed Consolidated Statements of Earnings.

### Foreign Currency Exchange Agreements

Seaboard enters into foreign currency exchange agreements to manage the foreign currency exchange rate risk with respect to certain transactions denominated in foreign currencies. Foreign exchange agreements that were primarily related to the underlying commodity transaction were recorded at fair value with changes in value marked to market as a component of cost of sales on the Condensed

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Consolidated Statements of Earnings. Foreign exchange agreements that were not related to an underlying commodity transaction were recorded at fair value with changes in value marked to market as a component of foreign currency gain (loss) on the Condensed Consolidated Statements of Earnings.

At April 2, 2011, Seaboard had trading foreign exchange contracts to cover its firm sales and purchase commitments and related trade receivables and payables with net notional amounts of \$209,246,000 primarily related to the South African Rand.

At December 31, 2010, Seaboard had trading foreign exchange contracts to cover its firm sales and purchase commitments and related trade receivables and payables with net notional amounts of \$183,042,000 primarily related to the South African Rand.

### Interest Rate Exchange Agreements

In May 2010, Seaboard entered into three ten-year interest rate exchange agreements which involve the exchange of fixed-rate and variable-rate interest payments over the life of the agreements without the exchange of the underlying notional amounts to mitigate the effects of fluctuations in interest rates on variable rate debt. Seaboard pays a fixed rate and receives a variable rate of interest on three notional amounts of \$25,000,000 each. In August 2010, Seaboard entered into another ten-year interest rate exchange agreement with a notional amount of \$25,000,000 that has terms similar to those for the other three interest rate exchange agreements referred to above. While Seaboard has certain variable rate debt, these interest rate exchange agreements do not qualify as hedges for accounting purposes. Accordingly, the changes in fair value of these agreements are recorded in Miscellaneous, net in the Condensed Consolidated Statement of Earnings.

### Counterparty Credit Risk

Seaboard is subject to counterparty credit risk related to its foreign currency exchange agreements and interest rate swaps, should the counterparties fail to perform according to the terms of the contracts. Seaboard's foreign currency exchange agreements have a maximum amount of loss due to credit risk in the amount of \$22,000 with two counterparties. Seaboard's interest rate swaps have a maximum amount of loss due to credit risk in the amount of \$1,977,000 with two counterparties. Seaboard does not hold any collateral related to these agreements.

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The following table provides the amount of gain or (loss) recognized for each type of derivative and where it was recognized in the Condensed Consolidated Statement of Earnings for the three months ended April 2, 2011 and April 3, 2010.

(Thousands of dollars)

	Location of Gain or (Loss) Recognized in Income	April 2, 2011 Amount of Gain or (Loss) Recognized in Income	April 3, 2010 Amount of Gain or (Loss) Recognized in Income
Commodities	Cost of sales	\$13,986	\$16,068

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Foreign currencies	Cost of sales	8,787	(4,294)
Foreign currencies	Foreign currency	(136)	(25)
Interest rate	Miscellaneous, net	519	-

The following table provides the fair value of each type of derivative held as of April 2, 2011 and December 31, 2010 and where each derivative is included on the Condensed Consolidated Balance Sheets.

(Thousands of dollars)	Asset Derivatives			Liability Derivatives	
	Balance Sheet Location	Fair Value April 2, 2011	December 31, 2010	Balance Sheet Location	Fair Value April 2, 2011
Commodities	Other current assets	\$16,602	\$15,966	Other current liabilities	\$14,900
Foreign currencies	Other current assets	22	120	Other current liabilities	7,600
Interest rate	Other current assets	1,977	1,410	Other current liabilities	4,000