SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **2019-02-20** | Period of Report: **2018-12-31**
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SEABOARD CORP /DE/

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

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2018

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 or Organization)	*(I.R.S. Employer Identification No.)*

9000 West 67th Street, Merriam, Kansas 66202
(Address of Principal Executive Offices) (Zip Code)

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

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

Title of each class	Name of each exchange on which registered
Common Stock $1.00 Par Value	NYSE American

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

None
(Title of class)

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

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

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

Indicate by check mark whether the registrant has submitted electronically 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 ☒ Accelerated filer ☐

Non-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. ☐

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

The aggregate market value of the 260,866 shares of Seaboard common stock held by nonaffiliates was approximately $1,033,744,133, based on the closing price of $3,962.74 per share on June 30, 2018, the end of Seaboard's most recently completed second fiscal quarter. As of January 31, 2019, the number of shares of common stock outstanding was 1,167,771.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following documents are incorporated by reference into the indicated parts of this report: (1) Seaboard Corporation's annual report to stockholders furnished to the SEC pursuant to Rule 14a-3(b) – Parts I and II; and (2) Seaboard Corporation's definitive proxy statement, which will be filed no later than 120 days after December 31, 2018, pursuant to Regulation 14A for the 2019 annual meeting of stockholders – Part III.

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FORM 10-K

SEABOARD CORPORATION

Forward-looking Statements

This report, including information included or incorporated by reference in this report, contains certain forward-looking statements with respect to the financial condition, results of operations, plans, objectives, future performance and business of Seaboard Corporation and its subsidiaries ("Seaboard"). Forward-looking statements generally may be identified as statements that are not historical in nature and statements preceded by, followed by or that include the words "believes," "expects," "may," "will," "should," "could," "anticipates," "estimates," "intends" or similar expressions.

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

- statements concerning the projection of revenues, income or loss, capital expenditures, capital structure or other financial items;
- statements regarding the plans and objectives of management for future operations;
- statements of future economic performance;
- statements regarding the intent, belief or current expectations of Seaboard and its management with respect to:

  (i) Seaboard's ability to obtain adequate financing and liquidity;
  (ii) the price of feed stocks and other materials used by Seaboard;
  (iii) the sale price or market conditions for pork, grains, sugar, turkey and other products and services;
  (iv) the recorded tax effects under certain circumstances and changes in tax laws;
  (v) the volume of business and working capital requirements associated with the competitive trading environment for the Commodity Trading and Milling division;
  (vi) the charter hire rates and fuel prices for vessels;
  (vii) the fuel costs and related spot market prices in the Dominican Republic;
  (viii) the effect of the fluctuation in foreign currency exchange rates;
  (ix) the profitability or sales volume of any of Seaboard's divisions;
  (x) the anticipated costs and completion timetables for Seaboard's scheduled capital improvements, acquisitions and dispositions;
  (xi) the productive capacity of facilities that are planned or under construction, and the timing of the commencement of operations at such facilities; or
  (xii) other trends affecting Seaboard's financial condition or results of operations, and statements of the assumptions underlying or relating to any of the foregoing statements.

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

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PART I

Item 1. Business

General Development of Business

Seaboard Corporation was originally founded in 1918 as a flour brokerage business and was organized as a Delaware corporation in 1946. Seaboard Corporation and its subsidiaries ("Seaboard") together comprise a diverse global agribusiness and transportation company. In the United States ("U.S."), Seaboard is primarily engaged in hog production, pork processing and ocean transportation. Overseas, Seaboard is primarily engaged in commodity merchandising, grain processing, sugar and alcohol production and electric power generation. Seaboard also has an equity method investment in Butterball, LLC ("Butterball"), a producer and processor of branded and non-branded turkey products. See the captions "Principal Products and Services" and "Status of Product or Segment" below on specific developments for each division.

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

Description of Business

Principal Products and Services

Pork Division – Seaboard, through its subsidiary Seaboard Foods LLC, engages in the business of hog production and pork processing in the U.S. Seaboard's Pork division is a vertically integrated pork producer that primarily produces and sells fresh and frozen pork products to further processors, foodservice operators, grocery stores, distributors and retail outlets. This division's sales are primarily to U.S. customers with some export sales to Japan, Mexico, China and numerous other foreign markets. Pork products include fresh pork, such as loins, tenderloins and ribs which are primarily sold to distributors and grocery stores and fresh and frozen pork products sold in bulk to further processors who produce products, such as lunchmeat, ham, bacon and sausage.

The Pork division's pork processing plant, located in Guymon, Oklahoma, generally operates at a daily double-shift processing capacity of approximately six million hogs annually. Seaboard also has a ham boning and processing plant in Mexico. In 2018, Seaboard raised approximately 89% of the hogs processed at its processing plant, with the remaining hog requirements purchased primarily under contracts from independent producers. Seaboard's hog production facilities consist of genetic and commercial breeding, farrowing, nursery and finishing buildings located in the Central U.S. These facilities have a capacity to produce over six million hogs annually. Seaboard owns and operates seven centrally located feed mills to provide formulated feed to these hogs.

The Pork division produces biodiesel at facilities in Oklahoma and Missouri which is sold to third parties. Biodiesel is produced from pork fat supplied by the division's Oklahoma pork processing plant and from other animal fat and vegetable oil purchased from third parties. The biodiesel is sold to fuel blenders for distribution.

Seaboard has a 50% noncontrolling interest in Seaboard Triumph Foods, LLC ("STF"), which operates a pork processing plant located in Iowa. STF began single-shift operations in September 2017 and a second shift commenced in October 2018. STF's plant is designed to process about six million market hogs annually when operating at full capacity, which is expected to occur by the end of 2019. Seaboard has agreements with STF and Triumph Foods, LLC ("Triumph"), an independent pork processor, to market substantially all pork products produced at STF's and Triumph's pork processing plants. Seaboard and Triumph also sell a portion of the hogs they raise to the STF plant to be processed. Seaboard's sales prices for its pork products are primarily based on a margin sharing arrangement that considers the average sales price and mix of products sold from the Seaboard, Triumph and STF pork processing plants.

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Commodity Trading and Milling Division – Seaboard's Commodity Trading and Milling ("CT&M") division, which is managed under the name of Seaboard Overseas and Trading Group, is an integrated agricultural commodity trading, processing and logistics company. Overall, the CT&M division has facilities in 31 countries, primarily in Africa, South America, the Caribbean and Europe. This division sources, transports and markets approximately 11 million metric tons per year of wheat, corn, soybeans, soybean meal and other commodities.

The commodity trading business has 13 offices in 12 countries, in addition to four non-consolidated affiliates in three other countries. The grain processing business operates facilities at 42 locations in 23 countries, with wheat flour mills located in 19 countries, and include 8 consolidated and 19 non-consolidated affiliates. In total, Seaboard and its affiliates produce approximately six million metric tons of wheat flour, maize meal, manufactured feed and oilseed crush commodities per year in addition to other related grain-based products. This division has invested in several entities in recent years and continues to seek opportunities to expand its trading, milling and agro-processing business. Although this division owns three vessels, the majority of the trading business is transacted with chartered ships.

Marine Division – Seaboard, through its subsidiary, Seaboard Marine Ltd., and various foreign affiliated companies and third-party agents, provides cargo shipping services in the U.S. and 28 countries in the Caribbean and Central and South America. The Marine division's primary operations are at PortMiami and include a terminal and an off-port warehouse for cargo consolidation and temporary storage. At the Port of Houston, this division operates a cargo terminal facility that includes on-dock warehouse space for temporary storage of bagged grains, resins and other cargoes. Seaboard also makes scheduled vessel calls to Brooklyn, New Orleans, Philadelphia and various ports in the Caribbean and Central and South America. The Marine division uses a network of offices and agents throughout the U.S., Canada, the Caribbean and Central and South America to sell freight. Seaboard's capabilities allow transport by truck or rail of import and export cargo to and from various U.S. ports. This division's fleet consists of 19 chartered and 3 owned vessels, and includes dry, refrigerated and specialized containers and other cargo related equipment.

Sugar and Alcohol Division – Seaboard, through its subsidiary, Ingenio y Refineria San Martin del Tabacal S.R.L., operates a vertically integrated sugar and alcohol production facility. The facility has an annual capacity to crush approximately three million metric tons of sugar cane and produce approximately 250,000 metric tons of sugar and approximately 33 million gallons of alcohol. Sugarcane grown on owned land supplies most of the raw material processed in its plant. The sugar is primarily marketed locally, with some exports to the U.S. and other countries. The alcohol is marketed to industrial users or sold as dehydrated alcohol to certain oil companies under the Argentine governmental bio-ethanol program, which requires alcohol to be blended with gasoline. This division also owns a 51-megawatt cogeneration power plant, which is fueled by the burning of sugarcane by-products, natural gas and other biomass when available

Power Division – Seaboard, through its subsidiary, Transcontinental Capital Corp. (Bermuda) Ltd., is an unregulated independent power producer generating electricity for the Dominican Republic power grid. Seaboard's Power division owns and operates a power generating barge, located on the Ozama River, that contains a system of engines capable of using natural gas or heavy fuel oil to produce up to 108 megawatts of electricity. Seaboard's Power division sells the electricity it generates primarily on the spot market to government-owned distribution companies. It is not directly involved in the transmission or distribution of electricity and is exempt from regulations under the Public Utility Holding Company Act of 1938, as amended.

Turkey Segment – Seaboard has a 50% noncontrolling interest in Butterball. Butterball is a vertically integrated producer and processor of branded and non-branded turkey products. Butterball has four processing plants, two further processing plants and numerous live production and feed milling operations located in North Carolina, Arkansas, Missouri and Kansas. These facilities produce over one billion pounds

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of turkey each year. Butterball is a national supplier to retail stores, foodservice outlets and industrial entities, and exports products to Mexico and numerous other foreign markets.

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

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

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Status of Product or Segment

On January 5, 2018, the CT&M division completed the acquisition of Groupe Mimran ("Mimran"), which operates three flour mills located in Senegal and Ivory Coast that have a combined capacity of approximately 2,750 metric tons a day, and a trading business located in Monaco. The purchase price was $324 million, plus an earn-out between zero and $48 million, using the exchange rate in effect at closing.

Also during the first quarter of 2018, Seaboard's CT&M division acquired a 50% noncontrolling interest in a grain trading and flour milling business in Mauritania for total consideration of $16 million. The investment is accounted for using the equity method of accounting and reported on a three-month lag.

In November 2018, Seaboard's Power division entered into a contract to build a new floating power barge with capacity to generate approximately 146 megawatts of electricity using gaseous fuels, including natural gas. Operations are anticipated to begin in the first quarter of 2021. The total cost of the project is estimated to exceed $160 million.

Sources and Availability of Raw Materials

None of Seaboard's businesses utilize material amounts of raw materials that are dependent on purchases from one supplier or a small group of dominant suppliers except the following: the Power division has one primary supplier of natural gas, but the barge can run on other types of fuel; and the Turkey segment purchases a significant portion of its feed and grain used in the manufacturing of feed for its turkeys in North Carolina from Seaboard's 50% partner in Butterball.

Patents, Trademarks, Licenses, Franchises and Concessions

Seaboard uses the trademark of Seaboard™.

The Pork division uses registered trademarks relating to its products, including Seaboard Farms®, Prairie Fresh®, St. Joe Pork®, High Plains Bioenergy®, Prairie Fresh Prime®, Seaboard Foods®, Cook-in Bag® and 67th Street®. Daily's Premium Meats, LLC ("Daily's"), a non-consolidated affiliate of the Pork division, uses the trademarks Daily's®, Daily's Premium Meats Since 1893®, Buffet Brand® and Del Pueblo®. Seaboard considers the use of these trademarks important to the marketing and promotion of its pork products.

The CT&M division uses many registered trademarks including Mothers Pride® and Zambia's Pride® in Zambia, Thunderbolt Flour®™ and Maid Marian®™ in Guyana, GMA® and Top Pain® in Ivory Coast, GMD® and Jarga® in Senegal.

The Marine division uses the registered trademarks of Seaboard Marine® and Seaboard Solutions®.

The Sugar and Alcohol division markets sugar under the Chango® brand.

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

Seaboard believes there is significant recognition of these trademarks in the industry and by many of its customers. Patents, trademarks, franchises, licenses and concessions are not material to any of Seaboard's other divisions.

Seasonal Business

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

Depending on a Single Customer or Few Customers

Seaboard does not have sales to any one customer equal to 10% or more of consolidated revenues. The CT&M division derived 11% and 12% of its sales from a non-consolidated affiliate for the years ended December 31, 2018 and 2017, respectively. The Sugar and Alcohol division derived 29%, 39% and 26% of its sales from one customer for the years ended December 31, 2018, 2017 and 2016, respectively, and another customer represented 19% and 10% of its sales for the years ended December 31, 2018 and 2017, respectively. The Power division sells power in the Dominican Republic on the spot market accessed

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primarily by three wholly government-owned distribution companies. The Turkey segment had one customer that represented 15% and 13% of its sales for the years ended December 31, 2018 and 2017, respectively, and another customer that represented 11% of its sales for the years ended December 31, 2018 and 2017, respectively. No other division has sales to a few customers that, if lost, would have a material adverse effect on any such division or on Seaboard taken as a whole.

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Competitive Conditions

Competition in Seaboard's Pork division comes from a variety of regional, national and international producers and processors and is based primarily on product quality, customer service and price. According to the trade publications *Successful Farming* and *Informa Economics*, Seaboard was ranked number three in hog production (based on sows in production) and number four in pork processing in the U.S. in 2018 (based on daily processing capacity, including Triumph's and STF's capacity).

Seaboard's commodity trading business faces competition from numerous traders around the world. Most of the grain processing and related businesses face competition from either imported products or other local producers in the same industries.

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

Seaboard's Sugar and Alcohol division owns one of the largest sugar mills in Argentina and faces significant competition for sugar sales in the local Argentine market. Sugar prices in Argentina can fluctuate compared to world markets due to Argentine government price control and protection policies.

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

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

Environmental Compliance

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

Number of Persons Employed by Registrant

At the time of this report, Seaboard, excluding non-consolidated affiliates, had approximately 12,600 employees, of whom approximately 6,500 were employed in the U.S.

Available Information

Seaboard electronically files with the SEC annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports pursuant to Section 13(a) or 15(d) of the Exchange Act. The SEC maintains an internet website that contains reports, proxy and information statements, and other information regarding electronic filers at http://www.sec.gov. Seaboard provides access to its most recent Form 10-K, 10-Q and 8-K reports, and any amendments to these reports, on its internet website, www.seaboardcorp.com, free of charge, as soon as reasonably practicable after those reports are electronically filed with the SEC. Please note that any internet addresses provided in this report are for information purposes only and are not intended to be hyperlinks. Accordingly, no information provided at such Internet addresses is intended or deemed to be incorporated herein by reference.

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Executive Officers of the Registrant

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

Name (Age)	Positions and Offices with Registrant and Affiliates
Steven J. Bresky (65)	President and Chief Executive Officer
Robert L. Steer (59)	Executive Vice President, Chief Financial Officer
David M. Becker (57)	Senior Vice President, General Counsel and Secretary
James L. Gutsch (65)	Senior Vice President, Engineering
Ralph L. Moss (73)	Senior Vice President, Governmental Affairs
David S. Oswalt (51)	Senior Vice President, Finance and Treasurer
David H. Rankin (47)	Senior Vice President, Tax and Business Development
Michael D. Trollinger (50)	Vice President, Corporate Controller and Chief Accounting Officer
Ty A. Tywater (49)	Vice President, Audit Services
Ivan J. Winfield, Jr (54)	Vice President, Information Technology
David M. Dannov (57)	President, Seaboard Overseas and Trading Group
Edward A. Gonzalez (53)	President, Seaboard Marine Ltd.
Darwin E. Sand (54)	President, Seaboard Foods LLC

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

Mr. Steer has served as Executive Vice President, Chief Financial Officer of Seaboard since April 2011.

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

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

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

Mr. Oswalt has served as Senior Vice President, Finance and Treasurer since April 2013.

Mr. Rankin has served as Senior Vice President, Taxation and Business Development since April 2015 and previously as Vice President, Taxation and Business Development since April 2013.

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

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

Mr. Winfield has served as Vice President, Information Technology since February 2018 and previously as Director of Information Technology from 2009 to 2018.

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

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

Mr. Sand has served as President of Seaboard Foods LLC since March 2018 and previously as Senior Vice President of Sales since 2011.

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Item 1A. Risk Factors

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

(a) General

(1) Seaboard's Operations Are Subject to the General Risks of the Food Industry. The food products manufacturing industry is subject to the risks posed by:

- food spoilage;
- food contamination, including contamination caused by disease-producing organisms or pathogens, such as *Listeria monocytogenes*, *Salmonella*, and pathogenic *E coli*;
- food allergens;
- evolving consumer preferences and nutritional and health-related concerns;
- international, foreign, federal, state and local food processing regulations;
- consumer product liability claims;
- product recall;
- product tampering; and
- public perception of food production practices, including handling of production and live animals.

Pathogens which may cause food contamination are found generally in livestock and in the environment and therefore may be present in Seaboard's products. These pathogens also can be introduced to its products as a result of improper handling by customers or consumers. The Company does not have control over handling procedures once products have been shipped for distribution. If one or more of these risks were to materialize, Seaboard's revenues could decrease, costs of doing business could increase, and Seaboard's operating results could be adversely affected.

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

- changes in foreign currency exchange rates;
- foreign currency exchange controls;
- changes in a specific country's or region's political or economic conditions, particularly in emerging markets;
- hyperinflation;
- heightened customer credit and execution risk;
- tariffs, other trade protection measures and import or export licensing requirements;
- closing of borders by foreign countries to the import of meat products due to animal disease or other perceived health or safety issues;
- potentially negative consequences from changes in tax laws;
- legal and regulatory structures and unexpected changes in legal and regulatory requirements and any lawsuits that may arise;
- negative perception within a foreign country of a U.S. company doing business in that foreign country;
- compliance with laws and regulations for conducting international business such as Foreign Account Tax Compliance Act, Foreign Corrupt Practices Act and Office of Foreign Assets Control regulations;
- expropriation, civil unrest and government instability; and
- inconsistent application or enforcement of local laws, including tax laws.

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

- impair the financial condition of some of Seaboard's customers and suppliers, thereby increasing customer bad debts or non-performance by customers and suppliers;
- negatively impact global demand for protein and grain-based products, which could result in a reduction of revenues, operating income and cash flows;
- decrease the value of Seaboard's investments in equity and debt securities, including pension plan assets, causing losses that would adversely impact Seaboard's net earnings; and
- impair the financial viability of Seaboard's insurers.

(4) Decentralization May Present Certain Risks. Seaboard is relatively decentralized in comparison with its peers. While the Company believes this practice enabled it to remain responsive to opportunities and to customers' needs, it necessarily places significant control and decision-making powers in the hands of local management. This presents various risks, including the risk that management may be slower or less able to identify or react to problems affecting a key business than in a more centralized environment. In addition, it means that the Company may be slower to detect compliance related problems (e.g., a rogue employee undertaking activities that are prohibited by applicable law or the Company's internal policies) and that "company-wide" business initiatives, such as the integration of disparate information technology systems, are often more challenging and costly to implement, and their risk of failure higher, than they would be in a more centralized environment. Depending on the nature of the problem or initiative in question, such failure could materially adversely affect Seaboard's business, financial condition or results of operations.

(5) Ocean Transportation Has Inherent Risks. Seaboard's owned and chartered vessels along with related cargoes are at risk of being damaged or lost because of events such as:

- bad weather;
- mechanical failures;
- grounding, fire, explosions and collisions;
- human error; and
- war, piracy and terrorism.

All of these hazards could result in death or injury to persons, loss of property, environmental damages, delays or rerouting. If one of Seaboard's vessels were involved in an incident, the resulting negative public perception could have a material adverse effect on Seaboard's business, financial condition and results of operations. Also, many aspects of the marine industry are subject to extensive governmental regulations. Compliance with applicable laws, regulations and standards may require installation of costly equipment or operational changes, while the failure to comply may result in administrative and civil penalties, criminal sanctions, the suspension or termination of Seaboard's operations or detention of its vessels.

(6) Fluctuations in Fuel Costs Could Adversely Affect Operating Margins. In addition, fuel expenses are a large expense for the Marine and Power divisions and impacts the CT&M division's results. Fuel prices can vary greatly from year to year. While such fluctuations may be offset through fuel surcharges or other mechanisms, such mechanisms do not act with precision in terms of timing and amount and may not adjust revenues enough to offset the increase in costs. For the Marine and CT&M divisions the reduced global sulfur emissions cap from 3.5% to 0.5%, effective January 1, 2020, will increase fuel costs or require equipment to clean emissions. Seaboard has not concluded on the cost benefit of adding expensive equipment to the ships it operates.

(7) Seaboard's Common Stock Is Thinly Traded and Subject to Daily Price Fluctuations. The common stock of Seaboard is closely held and thinly traded on a daily basis on the NYSE American. Seaboard Flour LLC and SFC Preferred, LLC, which are beneficially owned by Mr. Steven Bresky,

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President and Chief Executive Officer of Seaboard, and other members of the Bresky family, hold approximately 76% of Seaboard's outstanding common stock. Accordingly, the price of a share of common stock could fluctuate more significantly from day-to-day than that of a share of widely held stock that is actively traded on a daily basis.

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(8) Seaboard Has Investments in Non-Consolidated Affiliates That Are Managed by Third Parties. Seaboard has several equity method investments in which it owns 50% or less, with various third-party business partners owning the remaining equity. Due to the ownership structure of these affiliates, Seaboard does not control all of the decision making processes and could be exposed to various business risks if the business partners' business decisions do not align with Seaboard's best interests, which could adversely impact the results for Seaboard's income (loss) from affiliates.

(9) Seaboard is Increasingly Dependent on Information Technology Systems to Manage and Support a Variety of Business Processes and Activities. Seaboard may be adversely impacted if it is unable to protect its information technology systems against, or effectively respond to, cyber-attacks or cybersecurity breaches. Attempted cyber-attacks and other cyber incidents are occurring more frequently and are being made by groups and individuals with a wide range of motives and expertise. Any significant penetration, invasion, destruction, or interruption of these systems could negatively impact operations and there is a risk of business interruption and reputational damage from the unauthorized disclosure of confidential information and a risk of loss to financial assets related to manipulated electronic communications. This includes additional costs for increased security, system remediation and breach detection. If Seaboard is unable to prevent such breaches or failures, its operations could be disrupted or it could negatively impact its financial condition, results of operations, and the market price of its common stock.

(b) Pork Division

(1) Fluctuations in Commodity Pork Prices Could Adversely Affect the Results of Operations. Sales prices for this division's products are directly affected by both domestic and worldwide supply and demand for pork products and other proteins, all of which are determined by constantly changing market forces of supply and demand as well as other factors over which Seaboard has little or no control. Commodity pork prices demonstrate a cyclical nature over periods of years, reflecting changes in the supply of fresh pork and competing proteins on the market, especially beef and chicken. This division's results of operations could be adversely affected by fluctuations in pork commodity prices.

(2) Increases in Costs of This Division's Feed Components and Third-Party Hog Purchases Could Adversely Affect Costs and Operating Margins. Feed costs are the most significant single component of the cost of raising hogs and could be materially affected by commodity price fluctuations for corn and soybean meal. The results of this division could be negatively affected by increased costs of its feed components. The continued operation of ethanol plants has elevated this risk as it has increased the competing demand for feed ingredients, primarily corn. Similarly, accounting for approximately 11% of this division's total hogs slaughtered, the cost of third-party hogs purchased fluctuates with market conditions and could have an impact on this division's total costs. The cost and supply of feed components and the third-party hogs that this division purchases are determined by constantly changing market forces of supply and demand, which are driven by matters over which Seaboard has no control, including weather, current and projected worldwide grain stocks and prices, grain export prices and supports, and governmental agricultural policies. This division attempts to manage certain of these risks through the use of financial instruments; however, this may also limit its ability to participate in gains from favorable commodity fluctuations. Unless wholesale pork prices correspondingly increase, increases in the prices of this division's feed components or in the cost of third-party hogs purchased would adversely affect Seaboard's operating margins.

(3) Seaboard May Be Unable to Obtain Appropriate Personnel at Remote Locations. The remote locations of the pork processing plant and live hog operations and a more restrictive national policy on immigration could negatively affect the availability and cost of labor. This division is dependent on having a sufficient number of properly trained operations personnel. Attracting and retaining qualified personnel is important to this division's success. The inability to acquire and retain the services of such personnel could have a material adverse effect on Seaboard's operations.

(4) The Loss of This Division's Oklahoma Pork Processing Plant Could Adversely Affect the Business. This division is largely dependent on the continued operation of its Oklahoma pork processing plant. The loss of or damage to this plant for any reason, including fire, tornado or earthquake, or the occurrence of adverse governmental action could adversely affect the business of this division.

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(5) Environmental Regulation and Related Litigation Could Have a Material Adverse Effect on the Business. This division's operations and properties are subject to extensive and increasingly stringent laws and regulations pertaining to, among other things, odors, the discharge of materials into the environment and the handling and

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disposition of wastes (including solid and hazardous wastes) or otherwise relating to protection of the environment. Failure to comply with these laws and regulations and any future changes to them could result in significant consequences to Seaboard, including civil and criminal penalties, liability for damages and negative publicity. Some requirements applicable to this division may also be enforced by citizen groups. Seaboard has incurred, and will continue to incur, operating expenditures to comply with these laws and regulations.

(6) Health Risk to Livestock Could Adversely Affect Production, the Supply of Raw Materials and the Business. Seaboard is subject to risks relating to its ability to maintain animal health and control diseases. The general health of the hogs and the reproductive performance of the sows could have an adverse impact on production and production costs, the supply of raw material to this division's pork processing operations and consumer confidence. If this division's hogs are affected by disease, Seaboard could be required to destroy infected livestock, which could adversely affect this division's production or ability to sell or export its products. Moreover, the herd health of third-party suppliers could adversely affect the supply and cost of hogs available for purchase. Adverse publicity concerning any disease or health concern could also cause customers to lose confidence in the safety and quality of this division's food products.

(7) International Trade Barriers Could Adversely Affect This Division's Operations. This division realizes a significant portion of its revenues from international markets, particularly Japan, Mexico and China. International sales are subject to risks related to general economic conditions, imposition of tariffs, quotas, trade barriers and other restrictions, enforcement of remedies in foreign jurisdictions and compliance with applicable foreign laws, and other economic and political uncertainties. These and other risks could result in border closings or other international trade barriers having an adverse effect on Seaboard's earnings.

(8) The Operating Profit of the Biodiesel Production Facilities Could Be Adversely Impacted by Various Factors. The profitability of this division's biodiesel plants could be adversely affected by various factors, including the market price of pork fat, other animal fat and vegetable oil, which are utilized to produce biodiesel, and the market price for biodiesel, which is influenced by world oil prices and U.S. government mandates to use biofuels. Unfavorable changes in these prices over extended periods of time or adverse changes in U.S. government mandates to use biofuels could adversely affect this division's results of operations and could result in the potential impairment of the recorded value of the property, plant and equipment related to these facilities. Also, the Federal blender's credits are not permanent and may not be renewed.

(9) Difficulties Could Be Experienced in the Start-up of the STF Pork Processing Plant. STF's new pork processing plant in Sioux City, Iowa, began single-shift operations in September 2017 and second-shift operations in October 2018. Difficulty in hog procurement or other difficulties encountered in the ramp-up of operations could have an adverse effect on results of operations.

(c) Commodity Trading and Milling Division

(1) This Division Is Subject to Risks Associated with Foreign Operations. This division principally operates in Africa, South America, the Caribbean and Europe and, in most cases, in what are generally regarded to be lesser-developed countries. Many of these foreign operations are subject to risks of doing business in lesser-developed countries, which are subject to potential civil unrest and government instability, increasing the exposure to potential expropriation, confiscation, war, insurrection, civil strife and revolution, corruption, currency inconvertibility and devaluation, and currency exchange controls, in addition to the risks of overseas operations mentioned in clause (a)(2) above. In addition, foreign government policies and regulations could restrict the purchase of various agricultural commodities and commodity products, reducing or limiting this division's ability to access materials or to limit this division's sales prices for products sold in local markets.

(2) Fluctuations in Commodity Prices Could Adversely Affect the Business of This Division. This division's sales are significantly affected by fluctuating worldwide prices for various commodities, such as wheat, corn, soybeans, soybean meal and, to a lesser degree, various other agricultural commodity products. These prices are determined by constantly changing market forces of supply and demand, as well as other factors over which Seaboard has little or no control. European flour exports, donated food aid, flour dumping practices and worldwide and local crop production could

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contribute to these fluctuating market conditions and could have a significant impact on the trading and milling businesses' sales, value of commodities held in inventory and operating income.

(3) This Division Uses a Material Amount of Derivative Products to Manage Certain Market Risks. The commodity trading portion of this division enters into various commodity derivative and foreign exchange derivative transactions to create what management believes is an economic hedge for commodity trades it executes or intends

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to execute with its customers. This portion of the division also enters into speculative derivative transactions related to its market risks. Failure to execute or improper execution of a derivative position or a firmly committed sale or purchase contract or a speculative transaction that closes without the desired result or exposure to counter party risk could have an adverse impact on the results of operations and liquidity.

(4) This Division Is Subject to Higher Than Normal Risks for Attracting and Retaining Key Personnel. In the commodity trading environment, loss of a key employee such as a commodity trader could have a negative impact resulting from the loss of revenues as personal customer relationships can be vital to obtaining and retaining business with various foreign customers. In the milling portion of this division, employing and retaining qualified expatriate personnel are key elements to success given the difficult living conditions, the unique operating environments and the reliance on a relatively small number of executives to manage each individual location.

(5) This Division Faces Increasing Competition. This division is experiencing increasing competition in certain foreign markets by well-capitalized originators, traders of commodities making sales directly to end-use customers and industrial-asset owners that compete in the same markets as this division. If various raw-material originators refuse to sell commodities to Seaboard for sale in these foreign markets, it could be more challenging for this division to purchase commodities for sale to its customers at competitive prices. This division's sales volume and sale prices for commodities to customers, as well as results of operations, could be adversely impacted by such increased competition.

(d) Marine Division

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

(2) Chartered Ships Are Subject to Fluctuating Rates. Time-charter expenses are one of this division's largest expenses. Certain ships are under charters longer than one year while others are less than one year. These costs can vary greatly due to a number of factors including the worldwide supply and demand for shipping. It is not possible to determine in advance whether a charter contract for more or less than one year will be favorable to this division's business. Accordingly, entering into either long-term charter hire contracts during periods of decreasing charter hire costs or short-term charter hire contracts during periods of increasing charter hire costs could have an adverse effect on this division's results of operations.

(3) Hurricanes May Disrupt Operations. This division's port operations can be subject to disruption due to hurricanes, especially at this division's major ports in Miami, Florida and Houston, Texas, which could have an adverse effect on this division's results of operations.

(4) This Division Is Subject to Complex Laws and Regulations That May Adversely Affect the Revenues, Cost, Manner or Feasibility of Doing Business. Federal, state and local laws and domestic and international regulations governing worker health and safety, environmental protection, port and terminal security, and the operation of vessels, including fuel regulations, significantly affect this division's operations, including rate discussions and other related arrangements. Many aspects of the marine industry, including rate agreements and vessel cost sharing agreements, are subject to extensive governmental regulation by the Federal Maritime Commission, the U.S. Coast Guard, and U.S. Customs and Border Protection, as well as regulation by private industry organizations. Compliance with applicable laws, regulations and standards may require installation of costly equipment or operational changes, while the failure to comply may result in administrative and civil penalties, criminal sanctions, the suspension or termination of Seaboard's operations or detention of its vessels. In addition, future changes in laws, regulations and standards, including allowed freight rate discussions and other related arrangements, may result in additional costs or a reduction in revenues.

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(5) This Division’s Revenues and Cost Structure Are Dependent on the Continuation of Cost Sharing Arrangements. The division has entered into vessel cost sharing arrangements with other service providers that are short term in nature. If they are unable to be renewed or renewed with unfavorable terms it could result in a negative impact to the business.

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(e) Sugar and Alcohol Division

(1) The Success of This Division Depends on the Condition of the Argentine Economy, Currency and Political Climate. This division operates a sugar mill, alcohol production and power generation facility in Argentina, locally growing a substantial portion of the sugarcane processed at the mill. Fluctuations in economic conditions or changes in the Argentine political climate could have an impact on the costs of operations, the sales prices of products, export opportunities and the exchange rate of the Argentine peso to the U.S. dollar. In this regard, local sales prices for bioethanol are affected by government price control and domestic prices for sugar are affected by import duties imposed by the Argentine government, impacting local volume sold, as well as imported and exported volumes to and from international markets. If import duties are changed, this could have a negative impact on this division's sales prices of its products. In addition, the majority of this division's sales are within Argentina, and any Argentine government attempts to control inflation through retail price controls on mass consumption products, including sugar, could adversely impact the local sales prices of this division's products and the results of operations for this division. In the second quarter of 2018, Argentina was determined to be a highly inflationary economy. A devaluation of the Argentine peso would have a negative impact on this division's financial position.

(2) This Division Is Subject to the Risks That Are Inherent in any Agricultural Business. Seaboard's results of operations for this division may be adversely affected by numerous factors over which Seaboard has little or no control and that are inherent in any agricultural business, including reductions in the market prices for this division's products, adverse weather and growing conditions, pest and disease problems, and new government regulations regarding agriculture and the marketing of agricultural products. Of these risks, weather particularly could adversely affect the amount and quality of the sugarcane produced by this division and its competitors located in other regions of Argentina.

(3) The Loss of This Division's Sole Processing Facility Would Adversely Affect the Business. This division is largely dependent on the continued operation of a single sugar mill. The loss of or damage to this mill for any reason, including fire, tornado or earthquake, or the occurrence of adverse governmental action or labor unrest resulting in labor strikes would adversely affect the business of this division.

(4) Labor Relations Challenges Could Adversely Affect Operations. This division is dependent on unionized labor at its single sugar mill in Argentina. The political and economic environment in Argentina makes normal labor relations very challenging. Contributing to the situation are the historical policies of Argentina's government and the failure of the Argentine courts to enforce contractual obligations with unions and basic property rights. Interruptions in production as a result of labor unrest could adversely impact the quantity of sugarcane harvested and the amount of sugar, alcohol and power produced and could interfere with the distribution of products stored at the facility.

(5) The Operating Profit of the Alcohol Production Facility Could Be Adversely Impacted by Government Regulations. The profitability of this division's alcohol production facility could be adversely affected by Argentine government regulations regarding production quotas, fuel blends and sales prices in the bio-ethanol market. In addition, corn alcohol producers in Argentina have increased competition in the bio-ethanol market. Adverse changes in the Argentine government's regulations regarding bio-ethanol production quotas and fuel blends could adversely affect this division's results of operations.

(6) The Operating Profit of the Cogeneration Power Plant Could Be Adversely Impacted by Contract for the Sale of Energy. The sale price for energy produced and sold by this division's cogeneration power plant is based on a biomass cogeneration contract with the Argentine government. The profitability of the cogeneration power plant could be adversely affected by this division's failure to enforce the terms of the contract, which could adversely affect this division's results of operations and could result in the potential impairment of the recorded value of the property, plant and equipment related to this facility.

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(f) Power Division

(1) This Division is Subject to Risks of Doing Business in the Dominican Republic. In addition to significant currency fluctuations and the other risks of overseas operations mentioned in clause (a)(2) above, this division could experience difficulty in obtaining timely collections of trade receivables from the government owned distribution companies or other companies that must also collect from the government in order to make payments on their accounts. Currently, the Dominican Republic does not allow a free market to enable prices to rise with demand, which could limit this division's profitability. The government has the ability to arbitrarily decide which power units will be able to operate, which can ultimately determine spot market prices for electricity generated and sold into the power grid and, therefore, could have adverse effects on results of operations.

(2) Supply of Natural Gas is Limited in the Dominican Republic. Supply of natural gas in the Dominican Republic is limited to one primary supplier. Although the barge can run on other types of fuel, supply disruptions of natural gas could have a negative impact on this division's operating income.

(3) The Loss of This Division's Sole Facility Would Adversely Affect the Business. This division is dependent on the continued operation of a single facility. The loss of or damage to this facility for any reason, including fire, hurricane, tornado or earthquake, or the occurrence of adverse governmental actions or labor unrest resulting in labor strikes would adversely affect the business of this division.

(g) Turkey Segment

(1) Fluctuations in Commodity Turkey Prices Could Adversely Affect the Results of Operations. Sales prices for turkey products are directly affected by both domestic and worldwide supply and demand for turkey products and other proteins, which are determined by constantly changing market forces of supply and demand as well as other factors over which Butterball has little or no control. Butterball's results of operations and the value of Seaboard's investment in Butterball could be adversely affected by fluctuations in turkey commodity prices.

(2) Increases in Costs of Butterball's Feed Components and Turkey Purchases Could Adversely Affect Costs and Operating Margins. Feed costs are the most significant single component of the cost of raising turkeys and could be materially affected by commodity price fluctuations for corn, soybean meal and other commodity grain inputs. Butterball's results may be negatively affected by increased costs of the feed components. Butterball attempts to manage some of these risks through the use of financial instruments; however this may also limit its ability to participate in gains from favorable commodity fluctuations. Unless wholesale turkey prices correspondingly increase, increases in the prices of Butterball's feed components would adversely affect Butterball's results of operations and the value of Seaboard's investment in Butterball.

(3) Adverse Operating Results Could Result in Need for Additional Investment. Butterball has third-party bank loan facilities that are secured by substantially all of the assets of Butterball. Adverse operating results could cause Butterball to default on such loan facilities, which could result in a significant adverse impact on Butterball's financial position, or result in Seaboard needing to increase its investment or provide financing to Butterball.

(4) Decreased Perception of Value in the Butterball Brand Could Adversely Affect Sales Quantity and Price of Butterball Products. Butterball is a premium brand name, built on a long history of offering a quality product that has been differentiated in the market. The value of the Butterball brand allows for sales of a higher unit price than other turkey products. In order to maintain this advantage, Butterball must continue to support the brand with successful marketing efforts. In addition, negative news reports for any reason related to the company or the turkey/poultry industry could negatively impact this brand perception, Butterball's results of operations and the value of Seaboard's investment in Butterball.

(5) The Loss of Butterball's Primary Further Processing Facility Could Adversely Affect Butterball's Business. Although Butterball has four processing plants and two further processing plants, Butterball is disproportionately dependent on the continued operation of the processing plant in Mt. Olive, North Carolina, that handles a significant volume of the production of further processed turkey products. The loss of or damage to this plant for any reason, including fire, hurricane or

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tornado or the occurrence of an adverse governmental action could adversely affect the results of operations for Butterball and the value of Seaboard's investment in Butterball.

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(6) Health Risk to Poultry Could Adversely Affect Production, the Supply of Raw Materials and Butterball's Business. Butterball is subject to risks relating to its ability to maintain animal health and control diseases, such as avian influenza. The general health of the turkeys and reproductive performance could have an adverse impact on production and production costs, the supply of raw material to Butterball's processing operations and consumer confidence. If Butterball's turkeys are affected by disease, Butterball may be required to destroy infected birds, which could adversely affect Butterball's production or ability to sell or export its products. Adverse publicity concerning any disease or health concern could also cause customers to lose confidence in the safety and quality of Butterball products, resulting in an adverse effect on Butterball's results of operations and the value of Seaboard's investment in Butterball.

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

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Seaboard's principal properties by division are described below:

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

The Pork division owns biodiesel plants in Guymon, Oklahoma, and St. Joseph, Missouri, with the capacity to produce 46 million gallons and 30 million gallons, respectively, of biodiesel annually.

Daily's, a non-consolidated affiliate, owns three bacon further processing plants located in Salt Lake City, Utah, Missoula, Montana, and St. Joseph, Missouri. The plants are utilized near capacity throughout the year and have a combined annual smoking capacity of 172 million pounds of raw pork bellies.

STF, a non-consolidated affiliate, owns a pork processing plant in Sioux City, Iowa, that began single-shift operations in September 2017 and second shift operations in October 2018. The plant is designed to process about six million market hogs annually when operating at full capacity, which is expected to occur by the end of 2019. STF plans to process five million hogs in 2019 as the plant continues to ramp up production for second-shift operations.

(2) Commodity Trading and Milling - Seaboard's CT&M division owns, in whole or in part, grain-processing and related agribusiness operations in 23 countries that have the capacity to mill approximately 13,600 metric tons of wheat and maize per day, produce 8,000 metric tons of animal feed per day, and crush 2,500 metric tons of oilseeds per day. The grain-processing and related agribusiness operations located in Botswana, Brazil, Colombia, the Democratic Republic of Congo, Ecuador, Gambia, Ghana, Guyana, Haiti, Jamaica, Kenya, Lesotho, Mauritania, Morocco, Mozambique, Nigeria, Peru, Republic of Congo, South Africa, Turkey, and Zambia own their facilities; and in Ivory Coast, Kenya, Lesotho, Morocco, Mozambique, Nigeria, Republic of Congo, Senegal and Zambia, the land on which certain facilities are

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located is leased under long-term agreements. Certain foreign milling operations may operate at less than full capacity due to low demand, poor consumer purchasing power, excess milling capacity in their competitive environment or imported flour. The CT&M division has investments through non-consolidated affiliates in poultry businesses operating in Morocco, Kenya, Tanzania

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and Zambia and a bakery business in the Democratic Republic of Congo. Seaboard's CT&M division owns three 18,900 metric ton deadweight dry bulk vessels and charters between 30 and 57 bulk vessels with deadweights ranging from 3,000 to 83,000 metric tons under short-term agreements. Also, the CT&M division charters four dry bulk vessels, each with a deadweight of 28,000 metric tons, which were originally purchased and then subsequently sold and leased-back.

(3) Marine - Seaboard's Marine division leases approximately 267,000 square feet of off-port warehouse space and 92 acres of port terminal land and facilities in Miami, Florida, which are used in its containerized cargo operations. Seaboard's Marine division also leases an approximately 62 acre cargo handling and terminal facility in Houston, Texas, which includes several on-dock warehouses totaling approximately 690,000 square feet for cargo storage. As of December 31, 2018, the Marine division owned three ocean cargo vessels with deadweights ranging from 7,700 to 11,000 metric tons. In addition, this division chartered 19 vessels under contracts ranging from less than one year to over three years with deadweights ranging from approximately 11,000 to 35,000 metric tons but has also entered into some contracts for longer-term charters that range up to 11 years. Seaboard's Marine division owns or leases dry, refrigerated and specialized containers and other related equipment.

(4) Sugar - Seaboard's Sugar and Alcohol division owns nearly 70,000 acres of planted sugarcane and a sugar mill with an annual capacity to crush approximately three million metric tons of sugar cane and an alcohol distillery with a current capacity to produce approximately 33 million gallons of alcohol per year. This capacity is sufficient to process all of the cane harvested by this division and additional quantities purchased from third-party farmers in the region. The sugarcane fields and processing mill are located in northern Argentina in the Salta Province, which experiences seasonal rainfalls that may limit the harvest season, which then affects the duration of mill operations and quantities of sugar and alcohol produced. The Sugar and Alcohol division also owns a 51 megawatt cogeneration power plant that supplies electricity to the Argentine power grid under a renewable energy contract with an Argentine state owned company.

(5) Power - Seaboard's Power division owns one power generating barge with capacity to generate approximately 108 megawatts of electricity that is secured on the Ozama River in Santo Domingo, Dominican Republic. In November 2018, Seaboard entered into a contract to design and construct a new power generating barge with capacity to generate approximately 146 megawatts of electricity using gaseous fuels, including natural gas. The barge is anticipated to begin operations in the first quarter of 2021.

(6) Turkey – Seaboard's Turkey segment has a total of four processing plants, two further processing plants and numerous company and third-party live production facilities and feed milling operations, located in North Carolina, Arkansas, Missouri and Kansas.

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

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

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

Item 3. Legal Proceedings

The information required by this item is incorporated herein by reference to Note 8 to the consolidated financial statements included in Seaboard's Annual Report to Stockholders and attached as Exhibit 13.

Item 4. Mine Safety Disclosures

Not Applicable.

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FORM 10-K

SEABOARD CORPORATION

PART II

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

Other than below, the information required by this item is incorporated herein by reference to the information under the captions of "Stockholder Information – Stock Listing," and "Company Performance Graph" of Seaboard's Annual Report to Stockholders attached as Exhibit 13.

In each of the four quarters of 2018 and 2017, Seaboard declared and paid quarterly dividends of $1.50 per share of common stock. Seaboard's Board of Directors intends that Seaboard will continue to pay quarterly dividends for the reasonably foreseeable future, with the amount of any dividends being dependent upon such factors as Seaboard's financial condition, results of operations and current and anticipated cash needs, including capital requirements. As discussed in Note 11 to the consolidated financial statements included in Seaboard's Annual Report to Stockholders and attached as Exhibit 13 (which discussion is incorporated herein by reference), Seaboard's ability to declare and pay dividends is subject to limitations imposed by debt agreements described therein.

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

The following table sets forth information concerning any purchases made by or on behalf of Seaboard or any "affiliated purchaser" (as defined by applicable rules of the SEC) of shares of Seaboard's common stock during the fourth quarter of the fiscal year covered by this report.

Issuer Purchases of Equity Securities

(Millions of dollars except number of shares and per share amounts)

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number Of Shares Purchased as Part Of Publicly Announced Plans Or Programs	Approximate Dollar Value Of Shares that May Yet Be Purchased Under the Plans or Programs
September 30, 2018 to October 31, 2018	—	$ —	—	$ 100
November 1, 2018 to November 30, 2018	142	$ 3,621	142	$ 99
December 1, 2018 to December 31, 2018	1,191	$ 3,662	1,191	$ 95
Total	1,333	$ 3,658	1,333	$ 95

All purchases during the quarter were made pursuant to Seaboard's share repurchase program, which was initially established by Seaboard's Board of Directors in November 2009 and has been extended through October 31, 2019. All purchases were made through open market or privately negotiated purchases and all the repurchased shares have been retired. See Note 11 to the consolidated financial statements included in Seaboard's Annual Report to Stockholders for further discussion.

Item 6. Selected Financial Data

The information required by this item is incorporated herein by reference to the "Summary of Selected Financial Data" of Seaboard's Annual Report to Stockholders and attached as Exhibit 13 to this report.

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

The information required by this item is incorporated herein by reference to "Management's Discussion and Analysis of Financial Condition and Results of Operations" of Seaboard's Annual Report to Stockholders and attached as Exhibit 13 to this report.

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Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The information required by this item is incorporated herein by reference to the information under the caption "Derivative Information" within "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Derivative Instruments and Hedging Activities" within Note 1 and Note 10 of Seaboard's consolidated financial statements of Seaboard's Annual Report to Stockholders and attached as Exhibit 13 to this report.

Item 8. Financial Statements and Supplementary Data

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

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

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures – As of December 31, 2018, Seaboard's management has evaluated, under the direction of its chief executive and chief financial officers, the effectiveness of Seaboard's disclosure controls and procedures, as defined under the Securities Exchange Act of 1934 (the "Exchange Act") Rule 13a-15(e). Based upon and as of the date of that evaluation, Seaboard's chief executive and chief financial officers concluded that Seaboard's disclosure controls and procedures were effective to ensure that information required to be disclosed in the reports it files and submits under the 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.

Reports on Internal Control Over Financial Reporting – Management's report on internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f), and the attestation report of KPMG LLP, Seaboard's independent registered public accounting firm, is incorporated herein by reference to all information under the captions "Management's Report on Internal Control over Financial Reporting" and "Report of Independent Registered Public Accounting Firm," respectively, of Seaboard's Annual Report to Stockholders and attached as Exhibit 13 to this report. Management's assessment of the effectiveness of Seaboard's internal control over financial reporting as of December 31, 2018, excluded Groupe Mimran ("Mimran"), which was acquired on January 5, 2018. Total assets excluded represented approximately $447 million, or 8%, of Seaboard's consolidated assets as of December 31, 2018. Total revenue excluded was approximately $247 million, or 4%, of Seaboard's consolidated revenue for the year ended December 31, 2018.

Change in Internal Control Over Financial Reporting – On January 5, 2018, Seaboard acquired Mimran as further disclosed in Note 2 to the consolidated financial statements of Seaboard's Annual Report to Stockholders and attached as Exhibit 13 to this report. Management is reviewing and evaluating its internal control procedures and the design of those procedures related to the Mimran acquisition in order to incorporate into its Sarbanes-Oxley Act of 2002 Section 404 compliance program with an effective date of January 1, 2019. Under guidelines established by the SEC, companies are permitted to exclude acquisitions from their assessment of internal control over financial reporting during the first year of an acquisition while integrating the acquired company. Except as set forth above, there have been no changes in Seaboard's internal control over financial reporting that occurred during the fiscal quarter ended December 31, 2018 that has materially affected, or is reasonably likely to materially affect, Seaboard's internal control over financial reporting.

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Item 9B. Other Information

None.

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FORM 10-K

SEABOARD CORPORATION

PART III

Item 10. Directors, Executive Officers and Corporate Governance

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

Seaboard has a Code of Ethics Policy applicable to its senior financial officers (including the chief executive officer, chief financial officer, chief accounting officer, and persons performing similar functions) and another Codes of Ethics Policy applicable to its directors and other employees (together the "Codes"). Seaboard has posted the Codes on its internet website, www.seaboardcorp.com, and intends to satisfy the disclosure requirement under Item 10 of Form 10-K regarding any future changes and waivers to the Codes by posting such information on that website.

In addition to the information provided above, the information required by this item is incorporated herein by reference to the information under the captions "Item 1: Election of Directors," "Board of Directors Information – Committees of the Board – Audit Committee," "Board of Directors Information – Director Nominations" and "Section 16(a) Beneficial Ownership Reporting Compliance" of Seaboard's definitive proxy statement for the 2019 annual meeting of stockholders, which will be filed no later than 120 days after December 31, 2018 ("Proxy Statement").

Item 11. Executive Compensation

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

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

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

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

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

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

Item 14. Principal Accounting Fees and Services

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

PART IV

Item 15. Exhibits, Financial Statement Schedules

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

1. **Financial statements.**

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

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2. Financial statement schedules.

All schedules are omitted as the required information is not applicable or the information is presented in the consolidated financial statements or related consolidated notes.

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3. Exhibits.

Exhibit No.	Description
3.1	Seaboard Corporation Restated Certificate of Incorporation. Incorporated herein by reference to Exhibit 3.1 of Seaboard's Form 10-Q for the quarter ended April 4, 2009.
3.2	Seaboard Corporation By-laws, as amended. Incorporated herein by reference to Exhibit 3.2 of Seaboard's Form 10-K for the fiscal year ended December 31, 2005.
10.1*	Seaboard Corporation Executive Deferred Compensation Plan as Amended and Restated effective January 1, 2009 and dated December 22, 2008, amending and restating the Seaboard Corporation Executive Deferred Compensation Plan dated December 29, 2005. Incorporated herein by reference to Exhibit 10.2 of Seaboard's Form 10-K for the fiscal year ended December 31, 2008.
10.2*	Seaboard Corporation Executive Retirement Plan Trust dated November 5, 2004 between Seaboard Corporation and Robert L. Steer as trustee. Incorporated herein by reference to Exhibit 10.2 of Seaboard's Form 10-Q for the quarter ended October 2, 2004.
10.3*	Seaboard Corporation Retiree Medical Benefit Plan as Amended and Restated effective January 1, 2009 and dated December 22, 2008, amending and restating the Seaboard Corporation Retiree Medical Benefit Plan dated March 4, 2005. Incorporated herein by reference to Exhibit 10.6 of Seaboard's Form 10-K for the fiscal year ended December 31, 2008.
10.4*	First Amendment to the Seaboard Corporation Retiree Medical Benefit Plan effective March 25, 2015 and dated March 31, 2015. Incorporated herein by reference to Exhibit 10.1 of Seaboard's Form 10-Q for the quarter ended April 4, 2015.
10.5*	Seaboard Corporation Non-Qualified Deferred Compensation Plan effective January 1, 2009 and dated December 22, 2008, amending and restating the Seaboard Corporation Non-Qualified Deferred Compensation Plan dated December 29, 2005. Incorporated herein by reference to Exhibit 10.12 of Seaboard's Form 10-K for the fiscal year ended December 31, 2008.
10.6*	Amendment No. 1 to the Seaboard Corporation Non-Qualified Deferred Compensation Plan effective January 1, 2009 and dated December 17, 2009. Incorporated herein by reference to Exhibit 10.25 of Seaboard's Form 10-K for the fiscal year ended December 31, 2009.
10.7*+	Amendment No. 2 to the Seaboard Corporation Non-Qualified Deferred Compensation Plan effective January 1, 2019 and dated January 2, 2019.
10.8*+	Seaboard Corporation Post-2018 Non-Qualified Deferred Compensation Plan effective January 1, 2019 and dated December 28, 2018.
10.9*	Seaboard Corporation 409A Executive Retirement Plan Amended and Restated effective January 1, 2013 and dated December 21, 2012, amending and restating the Seaboard Corporation Executive Retirement Plan, Amendment and Restatement dated December 22, 2008. Incorporated herein by reference to Exhibit 10.14 of Seaboard's Form 10-K for the fiscal year ended December 31, 2012.
10.10*	First Amendment to the Seaboard Corporation 409A Executive Retirement Plan effective as of January 1, 2015 and dated January 14, 2016. Incorporated herein by reference to Exhibit 10.8 of Seaboard's Form 10-K for the fiscal year ended December 31, 2015.
10.11*	Seaboard Corporation Cash Balance Executive Retirement Plan Amendment and Restatement effective January 1, 2013 and dated December 21, 2012, amending and restating the Seaboard Corporation Cash Balance Executive Retirement Plan dated December 18, 2009. Incorporated herein by reference to Exhibit 10.15 of Seaboard's Form 10-K for the fiscal year ended December 31, 2012.
10.12*	Seaboard Corporation Pension Plan as restated and amended effective as of January 1, 2017. Incorporated herein by reference to Exhibit 10.10 of Seaboard's Form 10-K for the fiscal year ended December 31, 2016.

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10.13*	Seaboard Marine Ltd. 401(k) Excess Plan effective January 1, 2009 and dated December 18, 2009. Incorporated herein by reference to Exhibit 10.24 of Seaboard's Form 10-K for the fiscal year ended December 31, 2009.
10.14*	Seaboard Corporation Investment Option Plan dated December 18, 2000. Incorporated herein by reference to Exhibit 10.7 of Seaboard's Form 10-K for the fiscal year ended December 31, 2000.
10.15*	Seaboard Corporation Executive Officers' Bonus Policy (effective for 2005-2016). Incorporated herein by reference to Exhibit 10.10 of Seaboard's Form 10-K for the fiscal year ended December 31, 2005.
10.16*	Seaboard Corporation Executive Officers' Bonus Policy (effective for 2017). Incorporated herein by reference to Exhibit 10.14 of Seaboard's Form 10-K for the fiscal year ended December 31, 2016.
10.17*+	Seaboard Corporation Executive Officers' Bonus Policy (effective for 2018 and supersedes all policies).
10.18*	Seaboard Corporation Executive Incentive Plan (effective for 2017 and 2018). Incorporated herein by reference to Exhibit 10.15 of Seaboard's Form 10-K for the fiscal year ended December 31, 2016.
10.19*	Employment Agreement between Seaboard Corporation and Steven J. Bresky dated December 21, 2012. Incorporated herein by reference to Exhibit 10.16 of Seaboard's Form 10-K for the fiscal year ended December 31, 2012.
10.20*	Amendment to Employment Agreement between Seaboard Corporation and Steven J. Bresky dated March 22, 2017. Incorporated herein by reference to Exhibit 10.1 of Seaboard's Form 10-Q for the quarter ended April 1, 2017.
10.21*	Employment Agreement between Seaboard Corporation and Robert L. Steer dated December 21, 2012. Incorporated herein by reference to Exhibit 10.17 of Seaboard's Form 10-K for the fiscal year ended December 31, 2012.
10.22*	Employment Agreement between Seaboard Foods LLC and Terry J. Holton dated December 21, 2012. Incorporated herein by reference to Exhibit 10.18 of Seaboard's Form 10-K for the fiscal year ended December 31, 2012.
10.23*	Amendment to Employment Agreement between Seaboard Foods LLC and Terry J. Holton dated March 22, 2017. Incorporated herein by reference to Exhibit 10.2 of Seaboard's Form 10-Q for the quarter ended April 1, 2017.
10.24*+	Employment Agreement between Seaboard Foods LLC and Darwin E. Sand dated December 31, 2018.
10.25*	Employment Agreement between Seaboard Overseas and Trading Group and David M. Dannov dated December 21, 2012. Incorporated herein by reference to Exhibit 10.19 of Seaboard's Form 10-K for the fiscal year ended December 31, 2012.
10.26*	Amendment to Employment Agreement between Seaboard Overseas and Trading Group and David M. Dannov dated March 22, 2017. Incorporated herein by reference to Exhibit 10.3 of Seaboard's Form 10-Q for the quarter ended April 1, 2017.
10.27*	Employment Agreement between Seaboard Marine Ltd. and Edward A. Gonzalez dated December 21, 2012. Incorporated herein by reference to Exhibit 10.20 of Seaboard's Form 10-K for the fiscal year ended December 31, 2012.
10.28	Amended and Restated Terminal Agreement between Miami-Dade County and Seaboard Marine Ltd. for Marine Terminal Operations dated May 30, 2008. Incorporated herein by reference to Exhibit 10.1 of Seaboard's Form 8-K dated May 30, 2008.
10.29	Amendment No. 1 to Amended and Restated Terminal Agreement between Miami-Dade County and Seaboard Marine Ltd. for Marine Terminal Operations dated March 30, 2009. Incorporated herein by reference to Exhibit 10.1 of Seaboard's Form 10-Q for the quarter ended June 29, 2013.

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10.30	Amendment No. 2 to Amended and Restated Terminal Agreement between Miami-Dade County and Seaboard Marine Ltd. for Marine Terminal Operations dated July 31, 2013. Incorporated herein by reference to Exhibit 10.2 of Seaboard's Form 10-Q for the quarter ended June 29, 2013.
10.31	Marketing Agreement dated February 2, 2004 by and among Seaboard Corporation, Seaboard Farms, Inc., Triumph Foods, LLC, and for certain limited purposes only, the members of Triumph Foods, LLC. Incorporated herein by reference to Exhibit 10.2 of Seaboard's Form 8-K dated February 3, 2004.
10.32	Term Loan Credit Agreement dated December 4, 2015 by and among Seaboard Corporation, Seaboard Foods LLC, CoBank, ACB, Farm Credit Services of America, PCA and other lenders. Incorporated herein by reference to Exhibit 10.1 of Seaboard's Form 8-K dated December 9, 2015.
10.33	Amended and Restated Term Loan Credit Agreement dated September 25, 2018 by and among Seaboard Corporation, Seaboard Foods LLC, CoBank, ACB, Farm Credit Services of America, PCA and other lenders. Incorporated herein by reference to Exhibit 10.1 of Seaboard's Form 8-K filed September 27, 2018.
13+	Sections of 2018 Annual Report to Stockholders specifically incorporated herein by reference herein.
21+	List of subsidiaries.
31.1+	Certification of the Chief Executive Officer Pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2+	Certification of the Chief Financial Officer Pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1+	Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2+	Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS+	XBRL Instance Document.
101.SCH+	XBRL Taxonomy Extension Schema Document.
101.CAL+	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF+	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB+	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE+	XBRL Taxonomy Extension Presentation Linkbase Document.

* Management contract or compensatory plan or arrangement.
\+ Filed electronically herewith.

(b) Exhibits.

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

(c) Financial Statement Schedules.

None.

Item 16. Form 10-K Summary

None.

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SIGNATURES

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

SEABOARD CORPORATION
(Registrant)

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

Date: February 20, 2019

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

Name	Date	Title
/s/ Steven J. Bresky Steven J. Bresky	February 20, 2019	Chairman of the Board, President, Chief Executive Officer and Director (principal executive officer)
/s/ Robert L. Steer Robert L. Steer	February 20, 2019	Executive Vice President, Chief Financial Officer (principal financial officer)
/s/ Michael D. Trollinger Michael D. Trollinger	February 20, 2019	Vice President, Corporate Controller and Chief Accounting Officer (principal accounting officer)
/s/ David A. Adamsen David A. Adamsen	February 20, 2019	Director
/s/ Douglas W. Baena Douglas W. Baena	February 20, 2019	Director
/s/ Edward I. Shifman, Jr. Edward I. Shifman, Jr.	February 20, 2019	Director
/s/ Paul M. Squires Paul M. Squires	February 20, 2019	Director

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Exhibit 10.17

SEABOARD CORPORATION

EXECUTIVE OFFICERS' BONUS POLICY

PURPOSE: The purpose of this policy ("Bonus Policy") is to establish guidelines for the payment of bonus compensation to the named executive officers of Seaboard Corporation (the "Company").

AFFECTS: The Chief Executive Officer, the Principal Financial Officer and the other named executive officers of Seaboard Corporation, as defined in Item 402 of Regulation S-K.

POLICY:

1. Bonus Compensation Philosophy: The Company maintains the philosophy that determination of bonus compensation for its executive officers is based upon a recognition that these officers are responsible for implementing the Company's long-term strategic objectives. All executive compensation, including the bonus portion, is designed to attract and retain top executive employees.

2. Basis for Determination of Bonus Compensation:

   - The Board of Directors shall determine the annual bonus amounts. This determination will be based on a subjective review of the Company's financial performance, an assessment of each such officer's individual contribution to that performance and other discretionary factors.

   - The amount assigned to each officer is discretionary.

3. Method and Timing of Payments: Payments will be made in cash before March 15 following the end of the fiscal year to which the bonus compensation relates.

4. <u>Compliance with Section 409A of the Internal Revenue Code</u>. It is the intent of the Company that all payments made under this Bonus Policy will be exempt from Section 409A of the Code and the Treasury regulations and guidance issued thereunder ("Section 409A") pursuant to the "short-term deferral" exemption. Notwithstanding any provisions of this Bonus Policy to the contrary, (i) this Bonus Policy shall not be amended in any manner that would cause any amounts payable hereunder that are not subject to Section 409A to become subject thereto (unless they also are in compliance therewith), and the provisions of any purported amendment that may reasonably be expected to result in such non-compliance shall be of no force or effect with respect to this Bonus Policy; and (ii) the Company, to the extent it deems necessary or advisable in its sole discretion, reserves the right, but shall not be required, to unilaterally amend or modify this Bonus Policy to reflect the intention that this Bonus Policy qualifies for exemption from or complies with Section 409A in a manner that as closely as practicable achieves the original intent of this Bonus Policy and with the least reduction, if any, in overall benefit to a Participant to comply with Section 409A on a timely basis, which may be made on a retroactive basis, in accordance with regulations and other guidance issued under Section 409A. Neither the Company nor the Board makes any representation that this Bonus Policy shall be exempt from or comply with Section 409A, and makes no undertaking to preclude Section 409A from applying to the Plan.

EFFECTIVE DATE: As of the 2018 bonus, and supersedes all Executive Bonus Policies in effect prior thereto with respect to the named executive officers.

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Exhibit 10.24

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is entered into as of December 31, 2018 by and between **SEABOARD FOODS LLC**, an Oklahoma limited liability company (together with any Successor thereto, the "Company"), and Darwin E. Sand ("Executive").

WITNESSETH:

WHEREAS, the Company and Executive have entered into a certain Employment Agreement dated March 29, 2013 (the "2013 Employment Agreement") setting forth the terms upon which Executive is employed with the Company; and

WHEREAS, the Company and Executive desires to make certain amendments to Executive's Employment Agreement, as provided in this Employment Agreement (as amended hereby, the "Agreement");

NOW, THEREFORE, in consideration of the premises and the mutual covenants and promises contained herein and for other good and valuable consideration, the Company and Executive hereby agree as follows:

1. Agreement to Employ. Upon the terms and subject to the conditions of this Agreement, the Company hereby agrees to continue to employ Executive, and Executive hereby accepts such continued employment with the Company.

2. Term; Position and Responsibilities; and Location.

(a) Term of Employment. Unless Executive's employment shall sooner terminate pursuant to Section 8, the Company shall continue to employ Executive on the terms and subject to the conditions of this Agreement for a term commencing as of the date of this Agreement (the "Commencement Date") and ending on December 31, 2019; provided, however, on December 31, 2019 and on each annual anniversary date of December 31, 2019 (an "Annual Anniversary Date"), Executive's employment hereunder shall be deemed to be automatically extended, upon the same terms and conditions for one (1) year after such Annual Anniversary Date, unless the Company shall have given written notice to Executive (a "Non-Renewal Notice"), at least thirty (30) days prior to the expiration of such Annual Anniversary Date, of its intention not to extend the Employment Period (as defined below) hereunder. Notwithstanding the foregoing, unless mutually agreed to by the Company and the Executive, Executive's employment hereunder shall under no circumstances extend beyond December 31, 2026. The period during which Executive is employed by the Company pursuant to this Agreement, shall be referred to as the "Employment Period." In the event the Company gives a Non-Renewal Notice, then Executive's employment with the Company thereafter shall be "at will," and except as provided in Section 17 below, shall not be subject to the terms of this Agreement, and Section 10 Partial Restraint on Post-Termination Competition shall have no further force and effect.

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(b) Position and Responsibilities. During the Employment Period, Executive shall serve as President and Chief Executive Officer of the Company, and shall have such duties and responsibilities as are customarily assigned to individuals serving in such position and such other duties consistent with Executive's title and position as the President and Chief Executive Officer of the Company specifies from time to time. Executive shall devote all of his skill, knowledge, commercial efforts and business time to the conscientious and good faith performance of his duties and responsibilities for the Company to the best of his ability.

3. Base Salary. Effective April 1, 2018, the Company paid Executive a base salary at an initial annualized rate of five hundred fifty-five thousand dollars ($555,000), which was paid in installments on the Company's regular payroll dates. The Company may adjust such base salary from time to time, in its absolute discretion, but not below the initial amount. The annual base salary payable to Executive from time to time under this Section 3 shall hereinafter be referred to as the "Base Salary."

4. Annual Bonus Compensation.

(a) Executive shall be eligible to earn an annual bonus ("Annual Bonus") with respect to each calendar year ending during the Employment Period. The Annual Bonus will be discretionary, and determined based on personal and Company financial objectives. Subject to Subsection (b) of this Section 4 above, the Executive's Annual Bonus shall not be less than five hundred thousand dollars ($500,000) for any calendar year during the Employment Period. The Annual Bonus is earned pro-rata throughout each year, unless Executive's employment is terminated by the Company pursuant to Section 8(b) for Cause, in which case the Annual Bonus shall not be earned or paid for service during the year of the Date of Termination.

(b) Notwithstanding anything to the contrary contained herein, beginning with Executive's Annual Bonus earned for service beginning in 2019 or after, to the extent any portion of such bonus constitutes 162(m) Excess Compensation, as defined in the Post-2018 Non-Qualified Deferred Compensation Plan, in lieu of paying Executive that portion of such Annual Bonus which is 162(m) Excess Compensation, the Company shall make a Company 162(m) Contribution pursuant to the Seaboard Corporation Post-2018 Non-Qualified Deferred Compensation Plan (the "Post-2018 Deferred Compensation Plan") to the Account of Executive thereunder in an amount equal to that portion of Executive's Annual Bonus that constitutes 162(m) Excess Compensation, and any portion of the Annual Bonus that does not constitute 162(m) Excess Compensation shall be paid to Executive. Executive has been furnished a copy of the Post-2018 Non-Qualified Deferred Compensation Plan and understands that payment to him of any Company 162(m) Contribution contributed to Executive's Account under the Post-2018 Non-Qualified Deferred Compensation Plan thereunder may be delayed until up to the sixth year after Executive's separation from service from the Company. The Company retains the right to modify the terms of the Seaboard Corporation Post-2018 Non-Qualified Deferred Compensation Plan from time to time as permitted by Code Section 409A.

5. Benefit Plans. During the Employment Period, Executive will be eligible to participate in such medical, dental, disability, hospitalization, life insurance, and other benefit plans (such as pension and profit sharing plans) as the Company maintains from time to time for

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the benefit of Executive, at the sole discretion of the Company, on the terms and subject to the conditions set forth in such plans. As soon as practicable after the date hereof, Executive shall be designated as an Eligible Employee under the Seaboard Corporation Retiree Medical Benefit Plan as Amended and Restated Effective January 1, 2009.

6. Executive Benefits.

(a) During the Employment Period and thereafter for so long as Executive continues to be employed by the Company or affiliate, Executive will be eligible to participate in the employee and executive benefit plans and programs maintained by the Company from time to time in which executives of the Company at Executive's grade level are eligible to participate, including medical, dental, disability, hospitalization, life insurance, and retirement (i.e., 401K, pension and executive retirement plans), deferred compensation and savings plans, on the terms and subject to the conditions set forth in such plans; as may be amended from time to time.

(b) This Employment Agreement shall not modify Executive's existing rights to participate in the Seaboard Corporation 409A Executive Retirement Plan, Amended and Restated Effective January 1, 2009, as amended and restated by that Seaboard Corporation 409A Executive Retirement Plan Amended and Restated Effective January 1, 2013 ("SERP"), during the Employment Period, and thereafter for so long as Executive continues to be employed by the Company or affiliate. The wording that follows in these provisions (b) and (c) merely restates the rights that existed in the 2013 Employment Agreement and should not be viewed as a modification of the same rights. Executive consents to the January 1, 2013 amendments made to the SERP. During the Employment Period and thereafter, the Company reaffirms its prior commitment not to make any further amendment to the SERP that would adversely affect or reduce the benefit that will accrue or be paid to Executive under the SERP, it being understood that the formula to calculate the benefit may result in a reduction in benefits, such as if there is an increase in the 30 year U.S. Treasury Rate. The preceding sentence shall not apply to amendments made in order to conform the SERP to applicable changes in law; provided, however, in the event an amendment made in order to conform the SERP to applicable changes in law results in a reduction to the accrued benefit or the benefit that will accrue to Executive, the Company shall establish an alternative provision or plan that will provide a benefit to Executive that is substantially equal to the benefits reduced in the SERP as a result of such amendment. To be certain, if any such amendment to the SERP is made to conform the SERP to applicable law and this results in an increase to the federal or state income taxes payable upon receipt of the Accrued Benefit, the Company shall not establish an alternative provision or plan that will pay or reimburse Employee for such taxes.

(c) As was previously included in the Executive's 2013 Employment Agreement, the Agreement includes a retention incentive to encourage Executive to continue in the employment of the Company, notwithstanding that the Years of Accrual Service Limit set forth in the SERP limits Executive's Years of Accrual Service to a maximum of fifteen (15) Years of Accrual Service, Executive shall accrue an additional Year of Accrual Service or partial Year of Accrual Service pursuant to the SERP for each Year of Service or partial Year of Accrual Service after December 31, 2019 completed by the Executive, up to an additional 2.26 Years of Accrual Service. The terms used herein shall have the meaning given to such term in the SERP.

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(d) For purposes of calculating the benefit payable under the SERP, the Company and Executive agree that the Final Average Earnings Limit (as defined in the SERP) with respect to Executive shall equal seven hundred sixty-five thousand dollars ($765,000).

7. Expenses; Paid Time Off.

(a) Business Expenses. During the Employment Period, the Company will reimburse Executive for all reasonable and necessary business-related expenses incurred by Executive at the request of and on behalf of the Company in accordance with the Company's normal expense reimbursement policies.

(b) Paid Time Off. During the Employment Period, Executive shall be entitled to paid time off on an annualized basis in accordance with the Company's paid time off policy. Executive shall also be entitled to Company-designated holidays.

8. Termination of Employment.

(a) Termination Due to Death or Disability. Executive's employment shall automatically terminate upon Executive's death and may be terminated by the Company due to Executive's Disability (as defined below in this subsection (a)). In the event that Executive's employment is terminated due to his Disability or death, no termination benefits shall be payable to or in respect of Executive except as provided in Section 8(f)(ii). For purposes of this Agreement, "Disability" means a physical or mental disability during the Employment Period, whether total or partial, which disability, in the reasonable judgment of the Company, renders Employee unable to perform the essential functions of his job, with or without reasonable accommodation, for a period of one hundred twenty (120) consecutive days or for any one hundred eighty (180) days in any 12 (twelve) month period.

(b) Termination by the Company for Cause. Executive's employment may be terminated by the Company for Cause (as defined below in this subsection (b)). In the event of a termination of Executive's employment by the Company for Cause, Executive shall be paid the termination benefits as provided in Section 8(f)(ii). For purposes of this Agreement, "Cause" means (i) a material breach by Executive of any provision of this Agreement, including, without limitation, Section 9; (ii) a material violation by Executive of any Policy (as defined in Section 14), resulting in material injury to the Company; (iii) Executive's willful misconduct or gross negligence that has caused or is reasonably expected to result in material injury to the business, reputation or prospects of the Company or any of its Affiliates; (iv) Executive's material fraud or misappropriation of funds; or (v) the commission by Executive of a felony involving moral turpitude; provided that no termination under clauses (i) or (ii) shall be effective unless Company shall have given Executive notice of the event or events constituting Cause and Executive shall have failed to cure such event or events within thirty (30) business days after receipt of such notice, provided, however, that Executive shall not have the right to cure any violation of Section 9 hereof.

(c) Termination Without Cause. Executive's employment may be terminated by the Company Without Cause (as defined below in this subsection (c)) at any time. In the event

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of a termination of Executive's employment by the Company Without Cause, the Executive shall be paid the termination benefits as provided in Section 8(f)(i). For purposes of this Agreement, a termination "Without Cause" shall mean a termination of Executive's employment by the Company other than due to Executive's death or Disability as described in Section 8(a) and other than for Cause as described in Section 8(b).

(d) Termination by Executive. Executive may resign from his employment for any reason. In the event of a termination of Executive's employment by Executive's resignation, no termination benefits shall be payable to or in respect of Executive except as provided in Section 8(f)(i).

(e) Notice of Termination; Date of Termination.

(i) Notice of Termination. Any termination of Executive's employment by the Company or by Executive (other than as a result of Executive's death) shall be communicated by a written Notice of Termination addressed to the other party to this Agreement. A "Notice of Termination" shall mean a notice stating that Executive or the Company, as the case may be, is electing to terminate Executive's employment with the Company (and thereby terminating the Employment Period), stating the proposed effective date of such termination, indicating the specific provision of this Section 8 under which such termination is being effected and, if applicable, setting forth in reasonable detail the circumstances claimed to provide the basis for such termination. Any Notice of Termination given by an Executive must specify an effective date of termination which is at least ninety (90) days after the giving of the Notice of Termination.

(ii) Date of Termination. The term "Date of Termination" shall mean (i) if Executive's employment is terminated by his death, the date of his death; and (ii) if Executive's employment is terminated for any other reason, the effective date of termination specified in such Notice of Termination, but not longer than ninety (90) days. The Employment Period shall expire on the Date of Termination.

(f) Payments Upon Certain Terminations.

(i) In the event of a termination of Executive's employment by the Company Without Cause, the Company shall pay to Executive (or, following his death, to Executive's estate) within thirty (30) days of the Date of Termination, (x) his Base Salary through the Date of Termination, to the extent not previously paid; (y) the pro-rata amount of the Annual Bonus (based on the amount paid for the previous year or that would have been paid but for all or a portion of such Annual Bonus not being paid due to is being 162(m) Excess Compensation) which is accrued through the date of termination); and (z) reimbursement for any unreimbursed business expenses incurred by Executive prior to the Date of Termination that are subject to reimbursement pursuant to the terms hereof, and (such amounts under clauses (x), (y) and (z), collectively the "Accrued Obligations"). In addition, in the event of any such termination of Executive's employment, if Executive executes and delivers to the Company a Release and Discharge of All Claims substantially in the form approved attached hereto ("Release") within thirty (30) days after the Date of

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Termination, Executive shall be entitled to the following payments and benefits (provided, however, in the event of Executive's death following the Date of Termination but prior to delivery of the executed Release, the following payments shall be paid to Executive's estate, notwithstanding that the Release has not been executed):

(A) an amount equal to the Executive's Base Salary (at the Base Salary being paid on the Date of Termination) for eighteen (18) months, payable in installments in accordance with the Company's regular payroll policies, with the first installment being paid on the Company's regular pay date following the day which is thirty (30) days after the Date of Termination (the "Payment Commencement Date") (with the first installment being the sum of the Base Salary installments from the Date of Termination through the Payment Commencement Date, and with subsequent installments being based on the Base Salary); and

(B) a lump sum payment equal to 1.5 times the average of the bonuses paid to Executive for the four (4) calendar years prior to the Date of Termination (or that would have been paid but for all or a portion of such bonuses not being paid due to such amounts being 162(m) Excess Compensation), such amount to be paid to Executive on the eighteen (18) month anniversary date of the Date of Termination.

(C) The Company and Executive agree that each payment made by the Company to Executive pursuant to subsections (A) and (B) of this Section 8(f)(i) shall be deemed to be a separate and distinct payment for purposes of Internal Revenue Code Section 409A and the related regulations, as opposed to an annuity or other collective series of payments.

(D) Notwithstanding anything to the contrary contained herein, to the extent the aggregate amount to be paid to the Executive pursuant to subsections (A) and (B) of this Section 8(f)(i) during the six (6) months following the Date of Termination exceeds two (2) times the maximum amount that may be taken into account under a qualified retirement plan pursuant to Section 401(a)(17) of the Internal Revenue Code of 1986, as amended ("Code"), for the calendar year of such Date of Termination (the "401(a)(17) Limit"), then payment of such amount that is in excess of two (2) times the 401(a)(17) Limit shall not be paid during the sixth (6) months following the Date of Termination but instead shall be paid in a lump sum payment on the next day after the date which is six (6) months following the Date of Termination.

(E) Notwithstanding anything to the contrary contained herein, to the extent any amount set forth in clause (y) of this Section 8(f)(i) or subsections (A) and (B) of this Section 8(f)(i) constitutes 162(m) Excess Compensation, no such 162(m) Excess Compensation shall be paid and, in lieu thereof, the Company shall make a Company 162(m) Contribution pursuant to the Post-2018 Deferred Compensation Plan to the Account of Executive thereunder. Executive has been furnished a copy of the Post-2018 Non-Qualified Deferred Compensation Plan and

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understands that payment to him of a Company 162(m) Contribution contributed to Executive's Account under the Post-2018 Non-Qualified Deferred Compensation Plan thereunder may be delayed until up to the sixth year after Executive's separation from service from the Company. The Company retains the right to modify the terms of the Seaboard Corporation Post-2018 Non-Qualified Deferred Compensation Plan from time to time as permitted by Code Section 409A.

Executive shall not have a duty to mitigate the costs to the Company under this Section 8(f)(i), nor shall any payments from the Company to Executive hereunder be reduced, offset or canceled by any compensation or fees earned by (whether or not paid currently) or offered to Executive during the remainder of the fiscal year of the Company that includes the Date of Termination by a subsequent the Company or other Person (as defined below in Section 18(k) below) for which Executive performs services, including, but not limited to, consulting services.

(ii) If Executive's employment shall terminate upon his death or if the Company shall terminate Executive's employment for Cause or due to Executive's Disability, or Executive shall resign from his employment, in any such case during the Employment Period, the Company shall pay to Executive (or, in the event of Executive's death, to his estate) the Accrued Obligations within thirty (30) days following the Date of Termination.

(iii) Except as specifically set forth in this Section 8(f), no termination benefits shall be payable to or in respect of Executive's employment with the Company or its affiliates.

(iv) The Company shall have the right to apply and set off against the Accrued Obligations or any other amounts owing to Executive hereunder, any amounts owing by the Executive to the Company, whether pursuant to this Agreement or otherwise.

(g) Resignation upon Termination. Effective as of any Date of Termination under this Section 8 or otherwise as of the date of Executive's termination of employment with the Company, Executive shall resign, in writing, from all Board memberships and other positions then held by him, or to which he has been appointed, designated or nominated, with the Company and its Affiliates.

9. Confidentiality. Executive agrees that during his employment with the Company and thereafter, Executive will not, directly or indirectly (i) disclose any Confidential Information to any Person (other than, only with respect to the period that Executive is employed by the Company, to an Executive of the Company who requires such information to perform his or her duties for the Company); or (ii) use any Confidential Information for Executive's own benefit or the benefit of any third party. "Confidential Information" means confidential, proprietary or commercially sensitive information relating to (i) the Company or its Affiliates, or members of their management or boards; or (ii) any third parties who do business with the Company or its Affiliates, including customers and suppliers. Confidential Information includes, without limitation, marketing plans, business plans, financial information and records, operation methods,

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personnel information, drawings, designs, information regarding product development, other commercial or business information and any other information not available to the public generally. The foregoing obligation shall not apply to any Confidential Information that has been previously disclosed to the public or is in the public domain (other than by reason of a breach of Executive's obligations to hold such Confidential Information confidential). If Executive is required or requested by a court or governmental agency to disclose Confidential Information, Executive must notify the General Counsel of the Company in writing of such disclosure obligation or request no later than three business days after Executive learns of such obligation or request, and permit the Company to take all lawful steps it deems appropriate to prevent or limit the required disclosure.

10. Partial Restraint on Post-termination Competition.

(a) Definitions. For the purposes of this Section 10, the following definitions shall apply:

"Competitor" means any business, individual, partnership, joint venture, association, firm, corporation or other entity, other than the Company and its affiliates, that is engaging or actively planning to engage, wholly or partly, in activities ("Competitive Activities") that directly compete or would compete with the Company or its affiliates in the Company Activities (as hereinafter defined) in the Territory (as hereinafter defined).

"Competitive Position" means (i) the direct or indirect ownership or control of all or any portion of a Competitor; or (ii) any employment or independent contractor arrangement with any Competitor whereby Executive will serve such Competitor in the Territory in any managerial, sales, executive or consultant capacity with respect to Competitive Activities in the Territory.

"The Company Activities" means the businesses of animal production and processing, meat processing (including any further processed meats) and any business acquired or commenced by the Company hereafter or in which the Company owns any interest in.

"Non-Compete Period" or "Non-Solicitation Period" means the time period during the Employment Period and continuing thereafter until the date which is 18 months after the Date of Termination, no matter whether terminated by the Executive or the Company for any or no reason.

"Territory" means the entire United States of America, Japan, China, South Korea and Mexico and such other geographic areas in which the Company engages in the Company Activities.

(b) Non-competition.

(i) The parties hereto acknowledge that Executive, by virtue of his position with and responsibilities to the Company, is engaging and is expected to continue to engage during the Term in the Company Activities throughout the Territory and has

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executive management responsibilities with respect to the Company responsibilities which extend throughout the Territory. Executive acknowledges that to protect adequately the interest of the Company in the business of the Company it is essential that any non-compete covenant with respect thereto cover all the Company Activities and the entire Territory.

(ii) Executive hereby agrees that, during the Non-compete Period, Executive will not, either directly or indirectly, alone or in conjunction with any other party, accept or enter into a Competitive Position. Executive shall notify the Company promptly in writing if Executive receives an offer of a Competitive Position during the Non-compete Period, and such notice shall describe all material terms of such offer.

Nothing contained in this Section 10 shall prohibit Executive from acquiring not more than five percent (5%) of any company whose common stock is publicly traded on a national securities exchange or in the over-the-counter market.

(c) Severability. If a judicial or arbitral determination is made that any of the provisions of this Section 10 constitutes an unreasonable or otherwise unenforceable restriction against Executive the provisions of this Section 10 shall be rendered void only to the extent that such judicial or arbitral determination finds such provisions to be unreasonable or otherwise unenforceable with respect to Executive. In this regard, Executive hereby agrees that any judicial or arbitral authority construing this Agreement shall sever or reform any portion of the Territory, any prohibited business activity or any time period from the coverage of this Agreement to allow the covenants in this Section 10 to be enforced to the maximum extent authorized by law, and shall then enforce the covenants in this Section 10 as so severed or reformed.

(d) Reasonable Restrictions. Executive acknowledges that the restrictions and covenants contained in this Agreement are reasonably necessary to protect the goodwill and legitimate business interests of the Company, are not overbroad, overlong, or unfair (including in duration and scope), and will not curtail Executive’s ability to earn a livelihood upon Executive’s termination of employment with the Company.

11. Non-Solicitation of Employees and Customers.

(a) Executive hereby agrees that Executive will not, either directly or indirectly, alone or in conjunction with any other party:

(i) during the Employment Period, solicit, divert or appropriate or attempt to solicit, divert or appropriate, any then customer for the purpose of providing the customer with services or products competitive with those offered by the Company or its Affiliates during the Employment Period; or

(ii) during the Non-Compete Period, solicit, divert or appropriate or attempt to solicit, divert or appropriate, any customer who was a customer of the Company or any Affiliate and with respect to whom the Executive had material contact or about whom Executive gained Confidential Information at any time during the Employment Period.

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(b) Executive hereby agrees that Executive will not, during the Employment Period and the Non-Solicitation Period, either directly or indirectly, alone or in conjunction with any other party, employ, solicit or attempt to employ or solicit any person known by Executive to be an employee, consultant, contractor or other personnel of the Company or its Affiliates, to terminate, alter or lessen that party's affiliation with the Company or its affiliates or to violate the terms of any agreement or understanding between such employee, consultant, contractor or other person and the Company or its affiliates.

12. Work Product. Executive agrees that all of Executive's work product (created solely or jointly with others, and including any intellectual property or moral rights in such work product), given, disclosed, created, developed or prepared in connection with Executive's employment with the Company ("Work Product") shall exclusively vest in and be the sole and exclusive property of the Company and shall constitute "work made for hire" (as that term is defined under Section 101 of the U.S. Copyright Act, 17 U.S.C. § 101) with the Company being the person for whom the work was prepared. In the event that any such Work Product is deemed not to be a "work made for hire" or does not vest by operation of law in the Company, Executive hereby irrevocably assigns, transfers and conveys to the Company, exclusively and perpetually, all right, title and interest which Executive may have or acquire in and to such Work Product throughout the world, including without limitation any copyrights and patents, and the right to secure registrations, renewals, reissues, and extensions thereof. The Company and its Affiliates or their designees shall have the exclusive right to make full and complete use of, and make changes to all Work Product without restrictions or liabilities of any kind, and Executive shall not have the right to use any such materials, other than within the legitimate scope and purpose of Executive's employment with the Company. Executive shall promptly disclose to the Company the creation or existence of any Work Product and shall take whatever additional lawful action may be necessary, and sign whatever documents the Company may require, in order to secure and vest in the Company or its designee all right, title and interest in and to all Work Product and any intellectual property rights therein (including full cooperation in support of any Company applications for patents and copyright or trademark registrations).

13. Return of Company Property. In the event of termination of Executive's employment for any reason, Executive shall return to the Company all of the property of the Company and its Affiliates, including without limitation all materials or documents containing or pertaining to Confidential Information, and including without limitation, any company car, all computers (including laptops), cell phones, keys, PDAs, Blackberries, credit cards, facsimile machines, card access to any Company building, customer lists, computer disks, reports, files, e-mails, work papers, Work Product, documents, memoranda, records and software, computer access codes or disks and instructional manuals, internal policies, and other similar materials or documents which Executive used, received or prepared, helped prepare or supervised the preparation of in connection with Executive's employment with the Company. Executive agrees not to retain any copies, duplicates, reproductions or excerpts of such material or documents.

14. Compliance With Company Policies. During Executive's employment with the Company, Executive shall be governed by and be subject to, and Executive hereby agrees to comply with, all Company policies applicable to employees generally or to employees at

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Executive's grade level, including without limitation, the Company's Code of Business Ethics and Conduct, in each case, as any such policies may be amended from time to time in the Company's sole discretion (collectively, the "Policies").

15. Injunctive Relief with Respect to Covenants; Forum, Venue and Jurisdiction. Executive acknowledges and agrees that a breach by Executive of any of Section 9, 10, 10(d), 12, 13 or 14 is a material breach of this Agreement and that remedies at law may be inadequate to protect the Company and its Affiliates in the event of such breach, and, without prejudice to any other rights and remedies otherwise available to the Company, Executive agrees to the granting of injunctive relief in the Company's favor in connection with any such breach or violation without proof of irreparable harm, plus attorneys' fees and costs to enforce these provisions. Executive further acknowledges and agrees that the Company's obligations to pay Executive any amount or provide Executive with any benefit or right pursuant to Section 8 is subject to Executive's compliance with Executive's obligations under Sections 9 through 14 inclusive, and that in the event of a breach by Executive of any of Section 9, 10, 10(d), 12, 13 or 14, the Company shall immediately cease paying such benefits and Executive shall be obligated to immediately repay to the Company all amounts theretofore paid to Executive pursuant to Section 8. In addition, if not repaid, the Company shall have the right to set off from any amounts otherwise due to Executive any amounts previously paid pursuant to Section 8(f). Executive further agrees that the foregoing is appropriate for any such breach inasmuch as actual damages cannot be readily calculated, the amount is fair and reasonable under the circumstances, and the Company would suffer irreparable harm if any of these Sections were breached. All disputes not relating to any request or application for injunctive relief in accordance with this Section 15 shall be resolved by arbitration in accordance with Section 18(b).

16. Assumption of Agreement. The Company shall require any Successor thereto, by agreement in form and substance reasonably satisfactory to Executive, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle Executive to compensation from the Company in the same amount and on the same terms as Executive would be entitled hereunder if the Company had terminated Executive's employment Without Cause as described in Section 8, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination.

17. Entire Agreement; Survival. This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof, replacing the Employment Agreement dated as of July 1, 2013 between the Company and Employee. All prior correspondence and proposals (including, but not limited to, summaries of proposed terms) and all prior promises, representations, understandings, arrangements and agreements relating to such subject matter, are merged herein and superseded hereby. The covenants and agreements set forth in Sections 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 17 and 18 shall survive any termination of this Agreement or expiration of the term of this Agreement; provided, however, Sections 8 and 10 shall not survive any termination of this Agreement upon the Company giving a Non-Renewal Notice pursuant to Section 2(a).

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18. Miscellaneous.

(a) Binding Effect; Assignment. This Agreement shall be binding on and inure to the benefit of the Company and its Successors and permitted assigns. This Agreement shall also be binding on and inure to the benefit of Executive and his heirs, executors, administrators and legal representatives. This Agreement shall not be assignable by any party hereto without the prior written consent of the other parties hereto. The Company may effect such an assignment without prior written approval of Executive upon the transfer of all or substantially all of its business and/or assets (by whatever means), provided that the Successor to the Company shall expressly assume and agree to perform this Agreement in accordance with the provisions of Section 16.

(b) Arbitration. The Company and Executive agree that any dispute or controversy arising under or in connection with this Agreement shall be resolved by final and binding arbitration before the American Arbitration Association ("AAA"). The arbitration shall be conducted in accordance with AAA's National Rules for the Resolution of Employment Disputes then in effect at the time of the arbitration. The arbitration shall be held in the general Kansas City, Kansas metropolitan area. The dispute shall be heard and determined by one arbitrator selected from a list of arbitrators who are members of AAA's Regional Employment Dispute Resolution roster. If the parties cannot agree upon a mutually acceptable arbitrator from the list, each party shall number the names in order of preference and return the list to AAA within ten (10) days from the date of the list. A party may strike a name from the list only for good cause. The arbitrator receiving the highest ranking by the parties shall be selected. Depositions, if permitted by the arbitrator, shall be limited to a maximum of two (2) per party and to a maximum of four (4) hours in duration. The arbitration shall not impair either party's right to request injunctive or other equitable relief in accordance with Section 15 of this Agreement.

(c) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Kansas without reference to principles of conflicts of laws.

(d) Taxes. The Company may withhold from any payments made under this Agreement all applicable taxes, including, but not limited to, income, employment and social insurance taxes, as shall be required by law.

(e) Amendments. No provision of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is approved by the Company and is agreed to in writing by Executive. No waiver by any party hereto at any time of any breach by any other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No waiver of any provision of this Agreement shall be implied from any course of dealing between or among the parties hereto or from any failure by any party hereto to assert its rights hereunder on any occasion or series of occasions.

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(f) Severability. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

(g) Notices. Any notice or other communication required or permitted to be delivered under this Agreement shall be (i) in writing; (ii) delivered personally, by courier service or by certified or registered mail, first-class postage prepaid and return receipt requested; (iii) deemed to have been received on the date of delivery or, if mailed, on the third business day after the mailing thereof; and (iv) addressed as follows (or to such other address as the party entitled to notice shall hereafter designate in accordance with the terms hereof):

(i) If to the Company, to it at:

Seaboard Foods LLC
9000 West 67th Street, Suite 200
Merriam, Kansas 66202
Attention: President

With a copy to:

Seaboard Corporation
9000 West 67th Street
Shawnee Mission, Kansas 66202
Attention: General Counsel
Telephone: (913) 676-8925
Facsimile: (913) 676-8978

(ii) if to Executive, to his residential address as currently on file with the Company.

(h) Voluntary Agreement; No Conflicts. Executive represents that he is entering into this Agreement voluntarily and that Executive's employment hereunder and compliance with the terms and conditions of this Agreement will not conflict with or result in the breach by Executive of any agreement to which he is a party or by which he or his properties or assets may be bound.

(i) Counterparts/Facsimile. This Agreement may be executed in counterparts (including by facsimile), each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(j) Headings. The section and other headings contained in this Agreement are for the convenience of the parties only and are not intended to be a part hereof or to affect the meaning or interpretation hereof.

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(k) Certain other Definitions.

"Affiliate" with respect to any Person, means any other Person that, directly or indirectly through one or more intermediaries, (i) Controls, is Controlled by, or is under common Control with the first Person, including, but not limited to, a Subsidiary of any such Person, or (ii) has an ownership interest in the first Person, or has an interest owned by the first Person.

"Control" (including, with correlative meanings, the terms "Controlling," "Controlled by" and "under common Control with"): with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Person" any natural person, firm, partnership, limited liability company, association, corporation, company, trust, business trust, governmental authority or other entity.

"Subsidiary" with respect to any Person, each corporation or other Person in which the first Person owns or Controls, directly or indirectly, capital stock or other ownership interests representing fifty percent (50%) or more of the combined voting power of the outstanding voting stock or other ownership interests of such corporation or other Person.

"Successor" of a Person means a Person that succeeds to the first Person's assets and liabilities by merger, liquidation, dissolution or otherwise by operation of law, or a Person to which all or substantially all the assets and/or business of the first Person are transferred.

(l) Notwithstanding anything herein to the contrary, this Agreement shall be interpreted and applied so that the payments and benefits set forth herein either shall be exempt from or shall comply with the requirements of Section 409A. The Company and Executive intend that the compensation and severance payments to be paid to Executive shall comply with either or both of the short-term deferral or separation pay exceptions to the requirements of Section 409A of the Code, as described in Treasury Regulation §§ 1.409A--(b)(4) and 1(b)(9)(iii) and, therefore, be exempt from the application of Section 409A. Notwithstanding anything to the contrary set forth in this Agreement, any payments and benefits provided under this Agreement that constitute "deferred compensation" within the meaning of Section 409A shall not commence in connection with Executive's termination of employment unless and until Executive has also incurred a "separation from service" (as defined for purposes of Section 409A). The Company makes no representation or warranty and shall have no liability to Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A but do not satisfy an exemption from, or the conditions of, Section 409A.

(m) With respect to any reimbursement of expenses of, or any provision of in-kind benefits to, the Executive, as specified under the Employment Agreement, such

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reimbursement any expenses or provision of in-kind benefits that are Deferred Compensation shall be subject to the following conditions: (A) the expenses eligible for reimbursement or the amount of in-kind benefits provided in one taxable year shall not affect the expenses eligible for reimbursement or the amount of in-kind benefits provided in any other taxable year, except for any medical reimbursement arrangement providing for the reimbursement of expenses referred to in Section 105(b) of the Internal Revenue Code of 1986 and related regulations; (B) the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred; and (C) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

(n) "Termination of employment," "termination," "resignation" or words of similar import, as used in the Employment Agreement mean, for purposes of any payments of Deferred Compensation under the Employment Agreement, the Executive's "separation from service" as defined in Section 409A; provided that for this purpose, a "separation from service" is deemed to occur on the date that the Company and the Executive reasonably anticipate that the level of bona fide services the Executive would perform after that date (whether as an employee or independent contractor) would permanently decrease to no more than twenty percent (20%) of the average level of bona fide services provided in the immediately preceding thirty six (36) months.

SIGNATURE PAGE FOLLOWS

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IN WITNESS WHEREOF, the Company has duly executed this Agreement by its authorized representatives, and Executive has hereunto set his hand, in each case effective as of the date first above written.

THIS AGREEMENT CONTAINS A PROVISION REQUIRING THAT ARBITRATION PURSUANT TO THE AMERICAN ARBITRATION ASSOCIATION NATIONAL RULES FOR THE RESILUTION OF EMPLOYMENT DISPUTES IS THE EXCLUSIVE MEANS FOR RESOLVING ANY DISPUTE BETWEEN THE PARTIES HERETO AS TO THIS AGREEMENT.

SEABOARD FOODS LLC

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

Executive:

By: /s/ Darwin E. Sand
Darwin E. Sand

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RELEASE AND DISCHARGE OF ALL CLAIMS

This Release and Discharge of All Claims ("Release") is made and entered into by and between ________________________________ (hereinafter "You"), and Seaboard Foods LLC, an Oklahoma limited liability company ("Seaboard").

For and in consideration of the following promises, the parties agree to the following:

1. You acknowledge that your employment with Seaboard has ended effective _______________ in accordance with the terms of the Employment Agreement between You and Seaboard ("Employment Agreement").

2. Subject to the conditions set forth in Section 8(f)(i) of the Employment Agreement, Seaboard agreed to pay You the amounts described in said Section 8(f)(i) ("Severance") and take certain actions. The effectiveness of this Release is conditioned on Seaboard making the payments and taking the actions provided in Section 8(f)(i). If such payments are not made or such actions are not taken, this Release shall be of no effect.

3. You agree to, and do, hereby remiss, release and forever discharge Seaboard, Seaboard's parent corporation, Seaboard Corporation, and any and all companies affiliated with Seaboard, and their respective agents, officers, employees, successors and assigns (hereinafter collectively the "Released Parties"), from and against any and all matters, claims, demands, damages, causes of action, debts, liabilities, controversies, judgments, and suits of every kind and nature whatsoever, foreseen, unforeseen, known or unknown, which You now have, or hereinafter may have against Seaboard based on any and all aspects of your employment with Seaboard or the termination of You prior to the date hereof. This release of claims includes, but is not limited to, any rights or claims You may have under Title VII of the Civil Rights Act of 1964, as amended; the Equal Pay Act; the Age Discrimination in Employment Act of 1967, as amended; the Employment Retirement Income Security Act; the Omnibus Budget Reconciliation Act; the Americans With Disabilities Act; the Family and Medical Leave Act of 1993; the Kansas Acts Against Discrimination; the Kansas Age Discrimination in Employment Act; the Fair Labor Standard Act; any claims for wrongful discharge or breach of contract; severance; claims under worker's compensation laws; or any other federal, state or local laws or regulations relating to employment and wages arising from events occurring prior to the date of execution of this Agreement. You agree that this Agreement includes a release of all claims based on theories of contract or tort (e.g., negligent or intentional infliction of emotional distress, defamation, assault, battery, false imprisonment, wrongful termination, etc.), whether based on common law or otherwise. The foregoing list is meant to be illustrative rather than exhaustive. Further, You declare that as of the date of this Agreement, You have not suffered any on the job or work-related accident, injury, occupational disease or disability whether temporary, permanent, partial or total.

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YOU ACKNOWLEDGE AND AGREE THAT THIS RELEASE IS A FULL AND FINAL BAR TO ANY AND ALL CLAIMS OF ANY TYPE THAT YOU MAY NOW HAVE AGAINST ANY OF THE RELEASED PARTIES.

4. You waive the rights and claims set forth above, and also agree not to institute, or have instituted, a lawsuit against any of the Released Parties on any such claims or rights or to submit or file any charges, claims, complaints or actions with any agency, court, organization, or judicial forum. You further acknowledge and agree that with respect to the rights and claims You are waiving, You are waiving not only your right to recover money or any other relief action You might commence, but also your rights to recover any action brought on your behalf by any other party, including, but not limited to the United States Equal Employment Opportunity Commission or any other federal, state, or local governmental agency or department.

5. Notwithstanding the foregoing, this Release shall not constitute any release or waiver of any claims for retirement benefits, insurance or welfare benefits or any other benefits of employment with Seaboard which accrued or arose prior to the date your employment ended and in which You are vested.

6. The parties to this Agreement agree that nothing in this Agreement is an admission by any party hereto of any wrongdoing, either in violation of an applicable law or otherwise, and that nothing in this Agreement is to be construed as such by any person.

7. You and Seaboard agree that neither will publicize this Agreement either directly or indirectly, either in specific or as to general content, to either the public generally, to any employee of Seaboard or to any other person.

8. You hereby acknowledge that You have been advised to consult an attorney, and that You fully understand the Agreement and the effect of signing the Agreement. You further represent, declare and agree that You voluntarily accept the payment described above for the purposes of making a full and final compromise, adjustment and settlement of all claims hereinabove described.

9. The foregoing Agreement, together with your Employment Agreement, constitutes the entire agreement among the parties and there are no other understandings or agreements, written or oral, between them on the subject. Separate copies of this document shall constitute original documents which may be signed separately, but which together will constitute one single agreement.

10. You covenant and agree as follows:

    a. You shall protect and safeguard the trade secrets and confidential and proprietary information of Seaboard and its parent and subsidiaries and affiliate companies, including, but not limited to, the identity of its customers and suppliers, its arrangements with customers and suppliers, and its technical and financial data, records, compilations of information, processes and specification relating to its

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customers, suppliers, products and services;

b. You shall not disclose any of such trade secrets and confidential and proprietary information;

c. You shall not use, directly or indirectly, for your own benefit or for the benefit of another, any of such trade secrets and confidential and proprietary information; and

d. You agree not to make any disparaging comment in any format, whether written, electronic or oral, to any customer, employee, the press or any other individual or entity regarding Seaboard that relates to Seaboard's business or related activities or the relationship between the parties.

11. All files, records, documents, drawings, specifications, memoranda, notes, or other documents relating to the business of Seaboard, whether prepared by You or otherwise coming into your possession, shall be the exclusive property of Seaboard, and shall be delivered to Seaboard and not retained by You for any reason whatsoever. It is expressly agreed that the remedy at law for the breach of any such covenant is inadequate and injunctive relief shall be available to prevent the breach or any threatened breach thereof.

12. You acknowledge that You have been given at least twenty-one (21) days within which to consider this Agreement before its execution. You agree that any changes made to this Release (whether material or not) must be made in writing, be signed and dated by both parties, and does not restart the running of the twenty-one (21) day period. This Agreement shall not become effective until seven (7) calendar days after the date of execution. During this seven (7) day period, You may revoke the Agreement. After said seven (7) day period, You acknowledge that this Agreement becomes final and binding.

13. This Agreement shall be construed and governed by the laws of the State of Kansas.

THE PARTIES HAVE READ, UNDERSTOOD AND FULLY CONSIDERED THIS RELEASE AND DISCHARGE OF ALL CLAIMS, AND ARE MUTUALLY DESIROUS OF ENTERING INTO SUCH RELEASE AND DISCHARGE OF ALL CLAIMS. THE TERMS OF THIS RELEASE AND DISCHARGE OF ALL CLAIMS ARE THE PRODUCT OF MUTUAL NEGOTIATION AND COMPROMISE BETWEEN THE PARTIES, HAVING ELECTED TO EXECUTE THIS RELEASE AND DISCHARGE OF ALL CLAIMS, TO FULFILL THE PROMISES SET FORTH HEREIN, AND TO RECEIVE THEREBY THE COMPENSATION SET FORTH IN THE EMPLOYMENT AGREEMENT. THE PARTIES FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, VOLUNTARILY ENTER INTO THIS RELEASE AND DISCHARGE OF ALL CLAIMS.

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IN WITNESS WHEREOF, the undersigned parties have executed this Settlement Agreement and Release.

SEABOARD FOODS LLC

Date: ______________________________ By: ______________________________
Company Representative

Date: ______________________________ By: ______________________________
Employee

STATE OF ____________)
) ss
COUNTY OF __________)

On this ____ day of ___________, 20__, before me ___________, to me personally known, who, after being duly sworn, acknowledged that he/she executed the foregoing Agreement and Release as his/her free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

____
Notary Public

My commission expires:

____

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Exhibit 10.7

AMENDMENT NO. 2 TO THE SEABOARD CORPORATION NON-QUALIFIED DEFERRED COMPENSATION PLAN

This Amendment is made this 2nd day of January, 2019, by Seaboard Corporation, a Delaware corporation (the "Company").

RECITALS

WHEREAS, the Company maintains the Seaboard Corporation Non-Qualified Deferred Compensation Plan, originally effective September 1, 2005 (the "Plan");

WHEREAS, the Company desires to amend the Plan to memorialize that the Plan has been "frozen" effective as of January 1, 2019, such that no additional contributions, whether in the form of employee elective deferrals or employer contributions (i.e., "Company Contributions" under the Plan), and relating to compensation earned after December 31, 2018, will be made to the Plan;

WHEREAS, to the extent a Deferral or Company Contribution relating to Compensation earned before January 1, 2019, was not made by December 31, 2018 (e.g., 2018 performance bonuses), such contribution (in the form of a credit to the applicable Participant's Account), must be made no later than March 15, 2019;

WHEREAS, all Plan Accounts existing as of December 31, 2018, will continue to experience an Investment Return (as defined in the Plan) and be distributed in accordance with the Plan and any Participant investment or deferral election as in effect on December 31, 2018, as the same may be amended as permitted in accordance with the existing terms of Plan and Section 409A of the Internal Revenue Code;

WHEREAS, no other amendment to the Plan shall be permissible to the extent such amendment would constitute a "material amendment" to the Plan under IRS Notice 2018-68 and any successor or additional Treasury Regulations promulgated relating to the same; and

WHEREAS, the Board may amend the Plan in its sole discretion at any time in accordance with Article VIII of the Plan;

NOW, THEREFORE, the Company hereby amends the Plan, effective January 1, 2019:

1. Article I of the Plan is amended by inserting the following paragraph after the existing paragraph in Article I.

> "Notwithstanding any provision in this Plan to the contrary, effective January 1, 2019, the Plan was "frozen" such that (i) no individual that is not a Participant in the Plan on December 31, 2018, may become an Eligible Employee and Participant in the Plan after December 31, 2018, and (ii) no additional contributions, including Deferrals and Company Contributions, shall be made to the Plan relating to Compensation earned after December 31, 2018. After March 15, 2019, no additional contributions, including Deferral and Company Contributions, relating to Compensation earned before January 1, 2019, shall be made to the Plan. All Plan Accounts shall continue to be credited or debited with Investment Returns (as defined in the Plan) and be distributed in accordance with the Plan and/or any Distribution Preference Election. All other Plan provisions consistent with the above shall remain in full force and effect."

2. Article VIII of the Plan is hereby amended by adding the following sentence at the end of Article VIII.

> "Notwithstanding the foregoing, no amendment to the Plan shall be effective if such amendment constitutes a "material modification" of the Plan under IRS Notice 2018-68 and any successor or additional Treasury Regulations promulgated relating to the same."

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3. Article X of the Plan is hereby amended by deleting in its entirety the introductory sentence in Article X and replacing it with the following sentence:

"This Article X applies to any person claiming a benefit other than a benefit relating to a Disability. Any claim for benefits under this Plan relating to a Disability shall be governed by separate claims procedures from those provided in Article X, which separate procedures shall be available upon request to the Committee."

The Company has caused this Amendment to be executed the day and year first above written.

SEABOARD CORPORATION

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

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Exhibit 10.8

SEABOARD CORPORATION POST-2018
NONQUALIFIED DEFERRED COMPENSATION PLAN

Effective January 1, 2019

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SEABOARD CORPORATION POST-2018
NONQUALIFIED DEFERRED COMPENSATION PLAN

ARTICLE I
PURPOSE AND EFFECTIVE DATE

Seaboard Corporation (the "Company") hereby adopts the Seaboard Corporation Post-2018 Nonqualified Deferred Compensation Plan (the "Plan") effective January 1, 2019. The purpose of the Plan is to aid in attracting and retaining certain key employees of Seaboard Corporation and participating affiliated companies by providing to them an opportunity for supplemental retirement income. The Company intends for the Plan to comply with the final Treasury regulations issued under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"). The Plan is intended to be an arrangement that is unfunded and maintained primarily for the purpose of providing supplemental retirement income to a select group of management or highly compensated employees within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended, and the Plan is intended to satisfy the requirements of Section 409A of the Code, and the Plan shall be interpreted and administered accordingly.

ARTICLE II
DEFINITIONS

For purposes of this Plan, the following words and phrases shall have the meaning indicated, unless the context clearly indicates otherwise:

2.1 **162(m) Excess Compensation** means that portion of any bonus payable to any Covered Employee for services rendered in any calendar year which would, if paid, cause such Covered Employee's Compensation for such calendar year to exceed the $1,000,000 deduction limit under Internal Revenue Code Section 162(m) if paid currently.

2.2 **Account** means the bookkeeping account maintained by the Committee for a Participant to which is credited Deferrals and Company Contributions, and to which is charged distributions, and which is adjusted to reflect earnings and losses, all as herein provided. Any reference herein to a distribution of the Participant's Account shall mean a payment of an amount equal to the amount credited to the Participant's Account.

2.3 **Beneficiary** means one or more persons, trusts, estates or other entities, designated by a Participant, in accordance with procedures established by the Committee, to receive any remaining balance in the Participant's Account upon the death of the Participant. If no designation by the Participant is effective, then the Participant's Beneficiary shall be the Participant's surviving spouse if any, but if none then the Participant's estate.

2.4 **Board** means the board of directors of Seaboard Corporation.

2.5 **Change of Control** means an event or transaction described below; provided, however, an event or transaction described below will not be a Change of Control for purposes of a payment event under the Plan unless it constitutes a change in the ownership or effective control

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of the Company, or in the ownership of a substantial portion of the assets of the Company, within the meaning of Code Section 409A(a)(2)(A)(v):

(a) The acquisition by any unrelated person or entity of more than fifty percent (50%) of either the outstanding shares of common stock or the combined voting power of the Company's then outstanding voting securities entitled to vote generally in the election of directors;

(b) The sale to an unrelated person or entity of Company assets that have a total gross fair market value of more than eighty-five percent (85%) of the total gross fair market value of all of the assets of the Company immediately prior to such sale;

(c) The acquisition, whether by reorganization, merger, consolidation, purchase or similar transaction, by any person or entity or more than one person or entity acting as a group of more than 50% of the combined voting power entitled to vote generally in the election of directors of the Company or the entity in which the Company was reorganized, merged or consolidated into;

(d) The acquisition by any person or entity (other than by any descendant of Otto Bresky, Senior or any trust established primarily for the benefit of any descendant of Otto Bresky, Senior or any other related person or entity) of more than fifty percent (50%) of either the membership interests or the combined voting power of Seaboard Flour, LLC at any time when Seaboard Flour, LLC owns 50% or more of the Company.

For purposes of determining whether there has been a Change of Control under this Section 2.5, the attribution of ownership rules under Code Section 318(a) shall apply. Also for purposes of determining whether there has been a Change of Control, "Company" means only Seaboard Corporation and any successors to the business of Seaboard Corporation.

2.6 **Code** means the Internal Revenue Code of 1986, any amendments thereto, and any regulations issued thereunder.

2.7 **Committee** means the Committee, which may consist of one person, designated from time to time by the Company to administer the Plan.

2.8 **Company** means Seaboard Corporation, a Delaware corporation, and any successors to the business of Seaboard Corporation.

2.9 **Company Contribution** means Company 162(m) Contributions and/or Company 401(k) Excess Contributions that are made pursuant to this Plan.

2.10 **Company 162(m) Contribution** means the amount credited by the Company to a Participant's Account pursuant to Section 5.2.

2.11 **Company 401(k) Excess Contribution** means the amount determined in accordance with Article V that is an obligation of the Employer and that is credited to a

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Participant's Account. The Company 401(k) Excess Contribution may consist of a "matching contribution" and an "excess contribution."

2.12 Compensation means the total amount payable to the Participant by the Employer for the Participant's services during a calendar year subject to the following provisions of this Section 2.12. Compensation specifically excludes: (a) reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, and welfare benefits; (b) any benefits accrued or paid under the Seaboard Corporation Executive Retirement Plan, as amended; (c) any amount of taxable income recognized by the Participant upon the exercise of an option under any option plan or program maintained by the Company; (d) any amount of taxable income recognized by the Participant as a result of a distribution under this Plan; and (e) any amount allocated or paid under the Seaboard Corporation Executive Deferred Compensation Plan, as amended. For purposes of determining the amount of the Company 401(k) Excess Contribution that is the excess contribution for a particular Plan Year, Compensation does not include the amount of a Participant's Deferral for such Plan Year, but Compensation does include the amount of any elective contributions made by the Participant during the same period as such Plan Year pursuant to a plan maintained by the Company where such amount is not includable in gross income due to the provisions of Code Sections 125, 401(k) or 132(f). Compensation shall not include a Participant's Compensation payable for any period prior to the time the Participant becomes eligible to participate in the Retirement Savings Plan for Seaboard Corporation, as amended.

2.13 Covered Employee shall have the meaning given to that term in Internal Revenue Code Section 162(m).

2.14 Deferral means the portion of the salary or bonus payable to a Participant that is deferred for a Plan Year pursuant to a Deferral Election by the Participant and is credited to the Participant's Account.

2.15 Deferral Election means an election made hereunder by a Participant to defer salary or bonus payable to the Participant and earned after the date of the Deferral Election as determined hereunder.

2.16 Disability means the Participant is (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or (ii) by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan sponsored by the Company.

2.17 Distribution Preference Election means the election made or deemed made by a Participant governing the time of payment of benefits hereunder to the Participant.

2.18 Eligible Employee means an Employee who is a member of a select group of management or highly compensated employees, taking into account for this purpose all employees of all Related Companies; however, an Employee who has been designated by the Board as an

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Executive for purposes of the Annual Deferral Amount, or for purposes of both the Annual Deferral Amount and the Company Discretionary Contribution, under the Seaboard Corporation Executive Deferred Compensation Plan, as amended, for a year coinciding with a Plan Year under this Plan, shall not be an Eligible Employee for such Plan Year.

2.19 **Employee** means any individual who is a salaried employee of an Employer.

2.20 **Employer** means the Company and any of its subsidiaries or affiliates that participate in this Plan with the consent of the Company, and any successors to the business of any such participating subsidiaries or affiliates. The subsidiaries or affiliates participating in this Plan as of the effective date are listed on Appendix A attached hereto.

2.21 **Investment Options** means the investment options selected by the Committee from time to time among which a Participant may direct the investment of his or her Account in accordance with procedures established by the Committee.

2.22 **Investment Return** means the amount of earnings, gains or losses applicable to the Participant's Account as measured by the Investment Options applicable pursuant to the Participant's direction or as otherwise provided herein.

2.23 **Participant** means any Eligible Employee who is designated as eligible to participate in the Plan for purposes of Deferrals and who makes a Deferral Election as provided in Section 3.1. Participant also means any Eligible Employee who satisfies the requirements for participation for purposes of Company 401(k) Excess Contributions as provided in Section 3.2. Participant also means any Eligible Employee who is a Covered Employee. Participant also means any individual for whom an Account is maintained hereunder.

2.24 **Plan** means the Seaboard Corporation Post-2018 Nonqualified Deferred Compensation Plan, as set forth herein and as from time to time amended.

2.25 **Plan Year** means the 12-month period beginning January 1 and ending December 31.

2.26 **Related Company** means any corporation which is a member of a controlled group of corporations (as defined in Code Section 414(b)) that includes the Company or any corporation or other entity with whom the Company is considered a single employer under Code Section 414(c).

2.27 **Separation from Service** means the Participant's termination of employment with the Company. Whether a termination of employment has occurred shall be determined based on whether the facts and circumstances indicate the Participant and Company reasonably anticipate that no further services will be performed by the Participant for the Company; provided, however, that a Participant shall be deemed to have a termination of employment if the level of services he or she would perform for the Company after a certain date permanently decreases to no more than twenty percent (20%) of the average level of bona fide services performed for the Company (whether as an employee or independent contractor) over the immediately preceding 36-month period (or the full period of services to the Company if the Participant has been providing services to the Company for less than 36 months). For this purpose, a Participant is not treated as having

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a Separation from Service while he or she is on a military leave, sick leave, or other bona fide leave of absence, if the period of such leave does not exceed six (6) months, or if longer, so long as the Participant has a right to reemployment with the Company under an applicable statute or by contract. Where used in this Section 2.27, the term Company includes any Related Company.

2.28 Unforeseeable Emergency means an unanticipated emergency that is caused by an event beyond the control of the Participant that would result in severe financial hardship to the Participant resulting from (i) a sudden and unexpected illness or accident of the Participant or a dependent of the Participant, (ii) a loss of the Participant's property due to casualty, or (iii) such other extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, all as determined in the sole discretion of the Committee.

ARTICLE III
PARTICIPATION

3.1 Participation for Deferrals. The Committee will designate those Eligible Employees who are eligible to make Deferral Elections for a particular Plan Year. Such designation will be by written communication to such Eligible Employees and will be effective on the date of such written communication. Once an Eligible Employee has been designated under this Section 3.1, he or she may make a Deferral Election for the first Plan Year stated in such written designation and for each subsequent Plan Year until the first to occur of (1) the Participant's Separation from Service, or (2) a written notice from the Committee delivered prior to the first day of the Plan Year for which it is effective advising the Participant that he or she is no longer eligible to make a Deferral Election.

3.2 Participation for Company 401(k) Excess Contributions. Any Eligible Employee who has satisfied the requirements for eligibility to participate in the Retirement Savings Plan for Seaboard Corporation, as amended from time to time (the "401(k) Plan") for a Plan Year and whose Compensation for a Plan Year is in excess of the maximum amount of compensation determined pursuant to Code Section 401(a)(17) that is permitted to be taken into account under the 401(k) Plan for the plan year of the 401(k) Plan that ends within such Plan Year, will be a Participant for purposes of the Company 401(k) Excess Contribution for that Plan Year.

ARTICLE IV
DEFERRAL ELECTIONS

4.1 Method. A Deferral Election shall be made in writing on a form provided by the Committee and shall be submitted to the Committee in such manner as the Committee determines. A Deferral Election will not be valid unless it is submitted to the Committee in the manner required.

4.2 Irrevocable. Except as otherwise provided in Section 4.6, a Deferral Election will become irrevocable on the last day established by the Committee (in accordance with the provisions hereunder) for submitting the Deferral Election to the Committee; provided, however, in the case of a Deferral Election that is submitted under Section 4.4 after the first day of a Plan Year, the Deferral Election shall become irrevocable at the time the Deferral Election is submitted to the Committee.

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4.3 Deferral Election. A Participant's Deferral Election for a Plan Year must be made at such time as the Committee determines, but in no event later than the last day of the Plan Year preceding the Plan Year for which the Deferral Election is effective. A Participant's Deferral Election for a Plan Year with respect to salary shall apply to salary payable in the Plan Year for which the election is made. A Participant's Deferral Election for a Plan Year with respect to bonus shall apply to bonus earned in the Plan Year for which the election is made.

4.4 Special Rule for Deferral Election for First Year of Eligibility. Subject to the last sentence of this Section 4.4, an Eligible Employee who is designated under Section 3.1 for the first time, may elect to make Deferrals provided he or she submits a Deferral Election to the Committee by such time as the Committee determines, but in no event later than 30 days after the date the Eligible Employee first becomes eligible to participate for Deferrals under Section 3.1. A Deferral Election made under this Section 4.4 after the first day of a Plan Year and applicable to salary, shall apply only with respect to salary earned after the date the Deferral Election becomes irrevocable. A Deferral Election under this Section 4.4 after the first day of a Plan Year applicable to a bonus payable to the Participant, shall apply only to the amount of the Participant's bonus that is deemed to be payable for services performed after the Deferral Election shall be determined by multiplying the total bonus payable by a fraction, the denominator of which is the total number of days in the performance period for which the bonus is payable, and the numerator of which is the number of days remaining in such performance period after the date the Participant's Deferral Election becomes irrevocable. Notwithstanding the preceding provisions of this Section 4.4, if at the time an Eligible Employee becomes first eligible as a Participant for Deferrals under Section 3.1, the Eligible Employee is or has been eligible to participate in any nonqualified deferred compensation plan of a Related Company that is subject to Code Section 409A and that is required by Code Section 409A to be aggregated with this Plan with respect to Deferrals, then the Participant's Deferral Election will only be effective if it is submitted to the Committee at the time provided in Section 4.3.

4.5 Minimum Annual Deferral. Notwithstanding the foregoing provisions of this Article IV, a Participant may not make a Deferral Election for a Plan year unless the Participant's Deferral Election for such Plan Year provides for a Deferral amount that is determined by the Committee to be at least $10,000. Such determination will be made by the Committee prior to the date the Deferral Election becomes irrevocable hereunder.

4.6 Cancellation of Deferral Election on Account of Unforeseeable Emergency. In the event a Participant requests a distribution pursuant to Section 7.10 due to an Unforeseeable Emergency, or the Participant requests a cancellation of the Deferral Election of the Participant due to an Unforeseeable Emergency, and the Committee determines that the Participant's Unforeseeable Emergency may be relieved all or in part through the cancellation of the Participant's current Deferral Election, then such Deferral Election shall be cancelled as soon as administratively practicable following such determination by the Committee.

ARTICLE V
COMPANY CONTRIBUTIONS

5.1 Company 401(k) Excess Contribution. As soon as administratively feasible after the last day of each Plan Year a Company 401(k) Excess Contribution will be credited to the

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Accounts of those Participants determined by the Committee under Section 3.2. The amount of a Company 401(k) Excess Contribution credited on behalf of a Participant for a Plan Year will equal the sum of (a) the Company matching contribution, if any, which is 3% of the Participant's Deferral for such Plan Year, and (b) the Company excess contribution, if any, which is 3% of the Participant's Compensation for the Plan Year that is in excess of the maximum amount of compensation determined pursuant to Code Section 401(a)(17) that is permitted to be taken into account under the 401(k) Plan for the plan year of the 401(k) Plan that ends within such Plan Year.

5.2 Company 162(m) Contribution. The Company, in its discretion, may elect to credit a contribution to the Account of a Participant who is a Covered Employee in an amount up to his or her 162(m) Excess Compensation for any Plan Year in lieu of paying such 162(m) Excess Contribution to said Participant.

ARTICLE VI
ACCOUNTS AND INVESTMENT RETURN

6.1 Account Adjustments for Deferrals, Company Contributions and Distributions. All Deferrals of a Participant with respect to a Plan Year will be credited to the Participant's Account as soon as administratively feasible after the date on which the Deferral would have been paid in cash absent the Deferral Election applicable to such Deferral. All Company Contributions made on behalf of a Participant with respect to a Plan Year will be credited to the Participant's Account at such time or times as determined by the Committee. Any distribution from a Participant's Account will be charged to the Account as of the time of the distribution.

6.2 Account Adjustments for Investment Return. A Participant's Account will be deemed invested in one or more Investment Options as directed or deemed directed by the Participant pursuant to procedures established by the Committee. At such times as determined by the Committee, and at such time as provided under Section 7.11, the Investment Return will be credited (in the case of net earnings) or charged (in the case of net losses) to the Participant's Account.

6.3 Vesting. A Participant will be fully vested in his or her Account at all times.

ARTICLE VII
DISTRIBUTIONS

7.1 Distribution Preference Elections. A Participant shall make, or be deemed to make, a separate Distribution Preference Election with respect to each Plan Year. A Distribution Preference Election will apply to the distribution of all Deferrals and Company Contributions allocated to the Participant's Account with respect to a Plan Year, as adjusted thereafter for Investment Return. The Distribution Preference Election will designate the date for the payment by the Employer to the Participant of the amounts subject to the Distribution Preference Election. Except as provided in Section 7.2, payment by the Employer will be made during the 90-day period commencing upon the distribution date designated in the applicable Distribution Preference Election. The form of payment will be a lump sum payment, unless limited by Section 7.2 due to a 162(m) Payment Delay.

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7.2 Subject to Mandatory Distribution Provisions and 162(m) Payment Delay. Any Distribution Preference Election hereunder, whether an actual election or a deemed election, shall be subject to the mandatory distribution provisions of Sections 7.6, 7.7, 7.8 and 7.9; provided, however, no amount shall be paid under the mandatory distribution provisions of Section 7.6, 7.8 and 7.9 (i.e., all of the mandatory distribution provisions except on account of a Change of Control) or any Distribution Preference Election if the distributed amount would not be deductible under Code Section 162(m) (a "162(m) Payment Delay"). In accordance with Treasury regulation Section 1.409A-2(b)(7)(i), any amount subjected to a 162(m) Payment Delay shall be paid in the Participant's first taxable year that the Company reasonably anticipates, or should reasonably anticipate, that if the amount were distributed during such year, the deduction of such payment would not be barred by application of Code Section 162(m). Any amount that is payable on account of a Participant's Separation from Service and is subject to a 162(m) Payment Delay shall (i) not be paid earlier than the first day of the seventh month following the month of the Participant's Separation from Service and (ii) unless paid earlier, be paid in full as soon as administratively feasible after the beginning of the sixth anniversary of the Participant's Separation from Service (regardless of such payment's nondeductibility).

7.3 Election Form. A Distribution Preference Election (other than a deemed election) must be made in writing on a form provided by the Committee and shall be submitted to the Committee in such manner as the Committee determines. A Distribution Preference Election will not be valid unless it is submitted to the Committee in the manner required**.**

7.4 Time of Initial Election or Deemed Election. If a Participant makes a Deferral Election for a Plan Year, then at the time the Participant makes the Deferral Election the Participant may also make a Distribution Preference Election. If the Participant fails to make a Distribution Preference Election at such time, or if the Participant does not make a Deferral Election for a Plan Year but a Company Contribution is made on behalf of the Participant for such Plan Year, then the Participant shall be deemed to have made a Distribution Preference Election applicable to all amounts allocated to the Participant's Account for such Plan Year, as adjusted thereafter for Investment Return, of a lump sum payment payable during the 90-day period commencing on the first day of the sixth Plan Year following the year for which the Deferral Election is made.

7.5 Subsequent Distribution Preference Election. A Participant may change any existing Distribution Preference Election (whether it was made by the Participant or deemed made by the Participant) by filing a subsequent Distribution Preference Election with the Committee; provided, however, a subsequent Distribution Preference Election will not be effective unless it satisfies all of the following requirements:

(a) A subsequent Distribution Preference Election may not take effect until at least twelve months after the date on which it is filed by the Participant.

(b) A subsequent Distribution Preference Election may not be filed less than twelve (12) months prior to the designated distribution date under the existing Distribution Preference Election.

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(c) The payment that is subject to the subsequent Distribution Preference Election may not be made earlier than five (5) years after the date such payment would have been made absent such subsequent Distribution Preference Election.

7.6 Mandatory Distribution Upon Separation from Service. In the event of a Participant's Separation from Service, then unless the Participant's Account is to be distributed earlier under another provision of this Article VII, the Participant's Account will be distributed by the Employer to the Participant in a lump sum payment during the seventh month following the month in which the Participant has a Separation from Service.

7.7 Mandatory Distribution Upon Change of Control. In the event of a Change of Control, then unless the Participant's Account is to be distributed earlier under another provision of this Article VII, the Participant's Account will be distributed by the Employer to the Participant in a lump sum payment within 90 days following the Change of Control.

7.8 Mandatory Distribution Upon Disability. In the event of the Disability of the Participant, then unless the Participant's Account is to be distributed earlier under another provision of this Article VII, the Participant's Account will be distributed by the Employer to the Participant in a lump sum payment within 90 days following the determination of such Disability.

7.9 Mandatory Distribution Upon Death. In the event of the death of the Participant, then the Participant's Account will be distributed by the Employer to the Participant's Beneficiary in a lump sum payment within 90 days following the Participant's death.

7.10 Distribution Upon Unforeseeable Emergency. If the Committee determines that a Participant has an Unforeseeable Emergency, then upon the written request of the Participant the Committee may direct the Employer to distribute to the Participant an amount that shall not exceed the amount necessary to satisfy such emergency need plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which the such emergency is or may be relieved through reimbursement or compensation by insurance or otherwise, or by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship.

7.11 Adjustments to Accounts. At any time a Participant's entire Account is to be distributed hereunder, the Participant's Account shall be adjusted, as provided in Section 6.1 and Section 6.2, prior to the date of distribution and as near as administratively feasible to the date of distribution.

ARTICLE VIII
AMENDMENT OR TERMINATION

The Board may, in its sole discretion, at any time and from time to time, amend, in whole or in part, any of the provisions of the Plan or may terminate it as a whole or with respect to any Participant or group of Participants; provided, however, no amendment or termination shall accelerate or postpone the time of any distributions hereunder except to the extent allowed under Code Section 409A.

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ARTICLE IX
ADMINISTRATION

9.1 Committee. The Board will appoint, or delegate the appointment of, a Committee to administer the Plan. The Committee will act by a majority of its members except to the extent it has delegated responsibilities hereunder. The Committee will have the following powers, rights and duties in addition to those granted to it elsewhere in the Plan:

(a) To adopt such rules of procedure and regulations as, in its opinion, may be necessary for the proper and efficient administration of the Plan and as are consistent with the provisions of the Plan.

(b) To enforce the Plan in accordance with its terms and with such applicable rules and regulations as may be adopted.

(c) To construe and interpret the Plan in the Committee's sole discretion, and to determine all questions arising under the Plan, including the power to determine the rights of Participants and their beneficiaries and the amount of their respective benefits.

(d) To maintain and keep adequate records concerning the Plan and concerning its proceedings and acts in such form and detail as the Committee may decide.

(e) To direct all payments of benefits under the Plan.

9.2 Delegation. In exercising its authority to control and manage the operation and administration of the Plan, the Committee may employ agents and counsel (who may also be employed by the Company) and delegate to them such powers as the Committee deems desirable.

9.3 Information to be Furnished. The Employer shall furnish the Committee or its delegates such data and information as may be required. The records of the Employer as to a Participant's Separation from Service, Compensation, Beneficiary designation and elections hereunder will be conclusive on all persons unless determined to be incorrect.

9.4 Committee's Decision Final. Any interpretation of the Plan and any decision on any matter within the discretion of the Committee made in good faith is binding on all persons. A misstatement or other mistake of fact shall be corrected when it becomes known, and the Committee shall make such adjustment on account thereof as it considers equitable and practicable.

9.5 Remuneration and Expenses. No remuneration shall be paid to any Committee member for services hereunder. All expenses of a Committee member incurred in the performance of the administration of the Plan shall be reimbursed by the Company.

9.6 Indemnification of Committee Member. The Committee and the individual members thereof shall be indemnified by the Company against any and all liabilities, losses, costs, and expenses (including fees and expenses) of whatsoever kind and nature which may be imposed on, incurred by or asserted against the Committee or the members by reason of the performance

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of a Committee function if the Committee or such members did not act dishonestly or in willful or negligent violation of the law or regulations under which such liability, loss, cost or expense arises.

9.7 **Resignation or Removal of Committee Member**. A Committee member may resign at any time by giving ten (10) days advance written notice to the Company and the other Committee members. The Company may remove a Committee member by giving advance written notice to him or her, and the other Committee members.

9.8 **Interested Committee Member**. A member of the Committee may not decide or determine any matter or question concerning his or her own benefits under the Plan.

ARTICLE X
CLAIMS PROCEDURE

This Article X applies to any person claiming a benefit other than a benefit relating to a Disability. Any claim for benefits under this Plan relating to a Disability shall be governed by separate claims procedures from those provided in Article X, which separate procedures shall be available upon request to the Committee.

10.1 **Claim**. Any person claiming a benefit, requesting an interpretation or ruling under the Plan, or requesting information under the Plan shall present the request in writing to the Committee which shall respond in writing as soon as practicable.

10.2 **Denial of Claim**. If the claim or request is denied, the written notice of denial shall be made within ninety (90) days of the date of receipt of such claim or request by the Committee and shall state:

(a) The reason for denial, with specific reference to the Plan provisions on which the denial is based.

(b) A description of any additional material or information required and an explanation of why it is necessary.

(c) An explanation of the Plan's claim review procedure.

10.3 **Review of Claim**. Any person whose claim or request is denied or who has not received a response within ninety (90) days may request review by notice given in writing to the Committee within sixty (60) days of receiving a response or one hundred fifty (150) days from the date the claim was received by the Committee. The claim or request shall be reviewed by the Committee who may, but shall not be required to, grant the claimant a hearing. On review, the claimant may have representation, examine pertinent documents, and submit issues and comments in writing.

10.4 **Final Decision**. The decision on review shall normally be made within sixty (60) days after the Committee's receipt of a request for review. If an extension of time is required for a hearing or other special circumstances, the claimant shall be notified and the time limit shall be one hundred twenty (120) days after the Committee's receipt of a request for review. The

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decision shall be in writing and shall state the reasons and relevant plan provisions. All decisions on review shall be final and bind all parties concerned.

ARTICLE XI
MISCELLANEOUS

11.1 Captions. The captions of articles, sections, paragraphs and subparagraphs of this Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

11.2 Company Action. Except as may be specifically provided herein, any action required or permitted to be taken by the Company may be taken on behalf of the Company by any officer of the Company.

11.3 Terms. Where the context permits, words in the plural shall include the singular, and words in the singular shall include the plural.

11.4 Governing Law. Except to the extent governed by the Employee Retirement Income Security Act of 1974, as amended, the provisions of this Plan shall be construed and interpreted according to the laws of the state of Kansas.

11.5 Nonassignability. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are, expressly hereby declared to be unassignable and nontransferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or separation for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or another person's bankruptcy or insolvency.

11.6 Tax Obligations. The Employer will withhold from that portion of the Participant's Compensation that is not being deferred, in a manner determined by the Employer, the Participant's share of FICA and other employment taxes on Deferrals and Company 401(k) Excess Contributions. The Employer will withhold from any payments made to a Participant under the Plan all federal, state and local income, employment and other taxes required to be withheld by the Employer in connection with such payments, in amounts and in a manner to be determined in the sole discretion of the Employer.

11.7 Not a Contract of Employment. The terms and conditions of this Plan shall not be deemed to constitute a contract of employment between any Employer and any Participant or any Eligible Employee. Such employment is hereby acknowledged to be an "at will" employment relationship that can be terminated at any time for any reason, or no reason, with or without cause, and with or without notice, unless otherwise expressly provided in a written employment agreement. Nothing in this Plan shall be deemed to give a Participant the right to be retained in the service of any Employer or to interfere with the right of an Employer to discipline or discharge the Participant at any time.

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11.8 Participant Cooperation. A Participant will cooperate by furnishing any and all information requested in order to facilitate the payment of benefits hereunder and such other action as may be requested by the Committee or the Company or the Employer.

11.9 Successors. The provisions of this Plan shall bind the Company, the Employer and their successors and assigns. The term successors as used herein shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or otherwise acquire all or substantially all of the business and assets of the Company or the Employer, and successors of any such corporation or other business entity.

11.10 Unsecured General Creditor. Participants and their beneficiaries, heirs, successors, and assigns will have no secured interest or claim in any property or assets of any Related Company whether or not such assets are held in a trust that may be used for the purpose of paying benefits hereunder. For purposes of the Plan, any and all of any Related Company's assets shall be, and remain, the general, unpledged, assets of the Related Company. The Employer's obligation under the Plan shall be merely that of an unfunded and unsecured promise of the Employer to pay money in the future. No Employer shall have any obligation under this Plan with respect to individuals other than that Employer's employees.

11.11 Validity. In case any provision of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal and invalid provision had never been inserted herein.

11.12 Waiver of Notice. Any notice required under the Plan may be waived by the person entitled to notice.

The Company hereby agrees to the provisions of this Plan, and, in witness thereof, the Company causes this Plan to be, executed on this 28th day of December, 2018.

SEABOARD CORPORATION

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

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APPENDIX A

PARTICIPATING EMPLOYERS

Seaboard Corporation
Seaboard Foods LLC
Seaboard Power Management, Inc.

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Exhibit 13

SEABOARD CORPORATION

2018 Annual Report

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SEABOARD CORPORATION

Table of Contents

This report, including information included or incorporated by reference in this report, contains certain forward-looking statements with respect to the financial condition, results of operations, plans, objectives, future performance and business of Seaboard. Forward-looking statements generally may be identified as statements that are not historical in nature and statements preceded by, followed by or that include the words: "believes," "expects," "may," "will," "should," "could," "anticipates," "estimates," "intends," or similar expressions. In more specific terms, forward-looking statements, include, without limitation: statements concerning the projection of revenues, income or loss, capital expenditures, capital structure or other financial items, 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, grains, 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 Commodity Trading and Milling segment; (vi) the charter hire rates and fuel prices for vessels; (vii) the fuel costs and 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; or (xii) other trends affecting Seaboard's financial condition or results of operations, and statements of the assumptions underlying or relating to any of the foregoing statements.

This list of forward-looking statements is not exclusive. Seaboard undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changes in assumptions or otherwise. Forward-looking statements are not guarantees of future performance or results. They involve risks, uncertainties and assumptions. Actual results may differ materially from those contemplated by the forward-looking statements due to a variety of factors. The information contained in this report, including, without limitation, the information under the captions "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Letter to Stockholders" identifies important factors which could cause such differences.

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SEABOARD CORPORATION
Principal Location s

Seaboard Corporation and its subsidiaries together comprise a diverse global agribusiness and transportation company whose business is described below under "Management's Discussion and Analysis – Overview".

Corporate Office

Seaboard Corporation
Merriam, Kansas

Pork

Seaboard Foods LLC
Pork Division Office
Merriam, Kansas
Processing Plants
Guymon, Oklahoma
Mexico
*Sioux City, Iowa**

Biodiesel Operations
Guymon, Oklahoma
St. Joseph, Missouri
Daily's Premium Meats, LLC*
Missoula, Montana
Salt Lake City, Utah
St. Joseph, Missouri

Commodity Trading and Milling

Commodity Trading Operations
*Atlanta, Georgia**
*Australia**
Canada
Morrisville, North Carolina
Colombia
Ecuador
Greece
Isle of Man
Kenya
Monaco
*Peru**
South Africa
Africa Poultry Development Limited*
Kenya and Zambia
Bag Yaglari Sanayi ve Ticaret A.S.*
Turkey
Beira Grain Terminal, S.A.
Mozambique
Belarina Alimentos S.A.
Brazil
Bolux Group (Proprietary) Limited*
Botswana
Compania Industrial de Productos Agropecuarios S.A.*
Colombia
Fill-More Seeds Inc.
Canada
Flour Mills of Ghana Limited
Ghana
Gambia Milling Corporation Limited*
Gambia
Grand Moulins de Mauritanie S.A.*
Mauritania
Les Grands Moulins d'Abidjan
Ivory Coast
Les Grands Moulins de Dakar
Senegal
Les Moulins d'Haiti S.E.M.*
Haiti
Lesotho Flour Mills Limited*
Lesotho
Life Flour Mill Limited*
Nigeria
Minoterie de Matadi, S.A.*
Democratic Republic of Congo
Minoterie du Congo S.A.
Republic of Congo
Moderna Alimentos, S.A.*
Ecuador
Molinos Champion, S.A.*
Ecuador
National Milling Company of Guyana, Inc.
Guyana
National Milling Corporation Limited
Zambia
Paramount Mills (Proprietary) Limited*
South Africa
Rafael del Castillo & Cia. S.A.*
Colombia
RussellStone Protein (Pty) Ltd.*
South Africa
Societe Africaine de Developpement Industriel Alimentaire, SARL*
Democratic Republic of Congo
Unga Holdings Limited*
Kenya
Zalar Holding S.A.*
Morocco

Marine

Seaboard Marine Ltd.
Marine Division Office
Miami, Florida
Port Operations
Brooklyn, New York
Miami, Florida
New Orleans, Louisiana
Philadelphia, Pennsylvania
Agencia Maritima del Istmo, S.A.
Costa Rica
Jacintoport International LLC
Houston, Texas
Kingston Wharves Limited*
Jamaica
Lafito Logistics Holding Ltd.*
Bahamas & Haiti
Representaciones Maritimas y Aereas, S.A.
Guatemala
Sea Cargo, S.A.
Panama
Seaboard de Colombia, S.A.
Colombia
Seaboard de Nicaragua, S.A.
Nicaragua
Seaboard Freight & Shipping Jamaica Limited
Jamaica
Seaboard Honduras, S. de R.L. de C.V.
Honduras
Seaboard Marine (Trinidad) Limited
Trinidad
Seaboard Marine of Haiti, S.A.
Haiti
SEADOM, S.A.S.
Dominican Republic
SeaMaritima, S.A. de C.V.
Mexico

Sugar and Alcohol

Ingenio y Refineria San Martin del Tabacal S.R.L.
Argentina

Power

Transcontinental Capital Corp. (Bermuda) Ltd.
Dominican Republic
La Compania de Electricidad de San Pedro de Macoris*
Dominican Republic

Turkey

Butterball, LLC*
Division Office
Garner, North Carolina
Processing Plants
Carthage, Missouri
Huntsville, Arkansas
Mt. Olive, North Carolina
Ozark, Arkansas
Further Processing Plants
Jonesboro, Arkansas
Raeford, North Carolina

Other

Mount Dora Farms de Honduras, S.R.L.
Honduras
Mount Dora Farms Inc.
Houston, Texas

*Represents a non-controlled, non-consolidated affiliate

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SEABOARD CORPORATION
Summary of Selected Financial Data

	Years ended December 31,				
(Millions of dollars except per share amounts)	2018	2017	2016	2015	2014
Net sales	$ 6,583	$ 5,809	$ 5,379	$ 5,594	$ 6,473
Operating income	$ 209	$ 240	$ 230	$ 126	$ 424
Net earnings (loss) attributable to Seaboard	$ (17)[a]	$ 247 [a][b]	$ 312 [a]	$ 171 [c]	$ 367 [d]
Basic earnings (loss) per common share	$(14.61)[a]	$211.01 [a][b]	$266.50 [a]	$146.44 [c]	$311.44 [d]
Total assets	$ 5,307	$ 5,161	$ 4,755	$ 4,431	$ 3,692
Long-term debt, less current maturities	$ 739	$ 482	$ 499	$ 518	$ —
Stockholders' equity	$ 3,329	$ 3,408	$ 3,175	$ 2,882	$ 2,735
Dividends declared per common share [e]	$ 6.00	$ 6.00	$ —	$ —	$ —

(a) In 2018, net loss attributable to Seaboard includes other investment losses of $152 million, which includes $110 million of non-cash, unrealized mark-to-market losses on short-term investments. In 2017 and 2016, net earnings included other investment income of $177 million and $69 million, respectively.

(b) In 2017, Seaboard recorded $65 million of additional income tax expense, or $55.31 per common share, as a result of the December 22, 2017 enactment of the Tax Cuts and Job Act (the "2017 Tax Act"). The additional income tax expense included a provisional $112 million of additional federal tax, payable over eight years, associated with the mandatory deemed repatriation of permanently invested foreign profits, offset by an estimated reduction in deferred taxes resulting from the rate decrease from 35% to 21%. See Note 13 to the consolidated financial statements for further information on the 2017 Tax Act.

(c) In the fourth quarter of 2015, Seaboard recorded interest income of $23 million, net of taxes ($31 million before taxes), or $19.49 per common share, for interest recognized on certain outstanding customer receivable balances in its Power segment. This interest income related to amounts determined to be collectible as of December 31, 2015, but previously had been considered uncollectable in prior years. This amount was fully collected by Seaboard in January 2016.

(d) On September 27, 2014, Seaboard's Pork segment sold to Triumph a 50% interest in Daily's. Included in net earnings attributable to Seaboard for 2014 is a gain on sale of controlling interest in subsidiary of $40 million, net of taxes ($66 million gain before taxes), or $34.14 per common share.

(e) In 2017, Seaboard resumed declaring quarterly dividends and paid them in the amount of $1.50 per common share per quarter. In December 2012, Seaboard declared and paid a dividend of $12.00 per common share. The amount of the dividend represented a prepayment of the annual 2013, 2014, 2015 and 2016 dividends ($3.00 per common share per year). Basic and diluted earnings per common share are the same for all periods presented.

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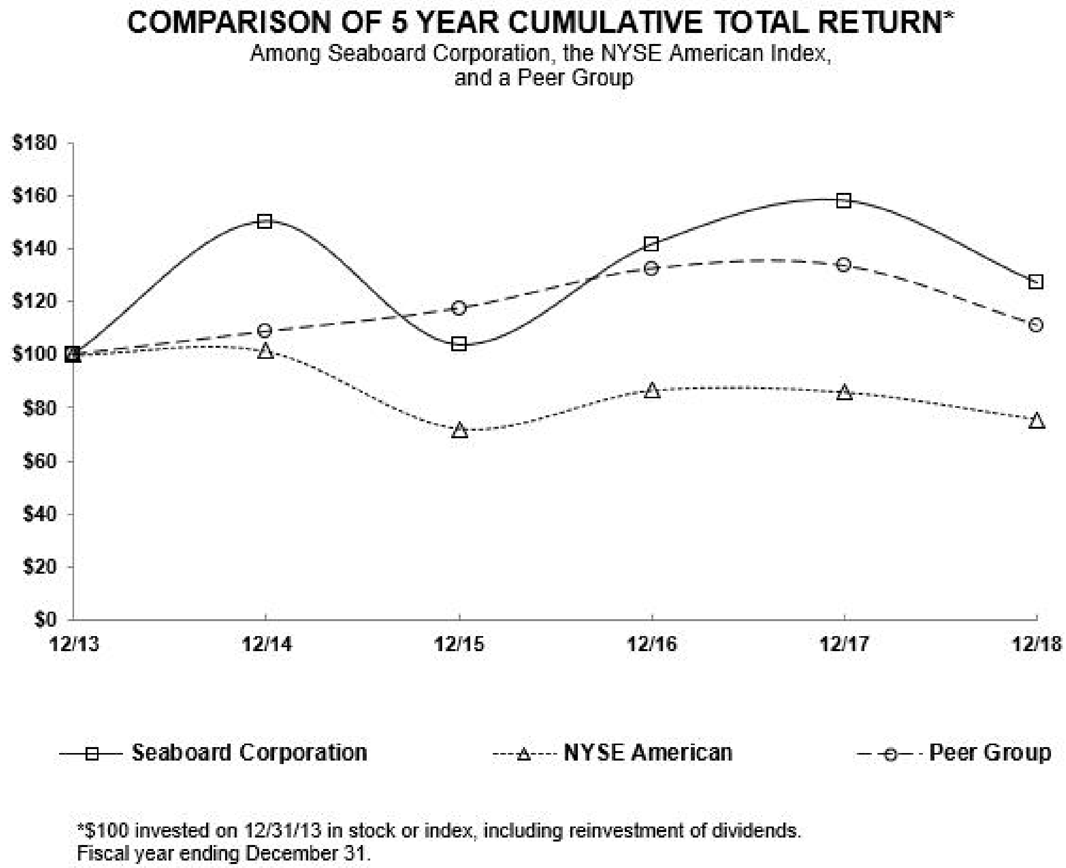
SEABOARD CORPORATION
Company Performance Graph

The Securities and Exchange Commission requires a five-year comparison of stock performance for Seaboard with that of an appropriate broad equity market index and similar industry index. Seaboard's common stock is traded on the NYSE American and provides an appropriate comparison for Seaboard's stock performance. Because there is no single industry index to compare stock performance, the companies comprising the Dow Jones Food and Marine Transportation Industry indices (the "Peer Group") were chosen as the second comparison.

The following graph shows a five-year comparison of cumulative total return for Seaboard Corporation, the NYSE American Index and the companies comprising the Dow Jones United States ("U.S.") Food Products and the Dow Jones U.S. Marine Transportation indices, weighted by market capitalization for the five fiscal years commencing December 31, 2013 and ending December 31, 2018. The information presented in the performance graph is historical in nature and is not intended to represent or guarantee future returns.



The comparison of cumulative total returns presented in the above graph was plotted using the following index values and common stock price values:

	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18
Seaboard Corporation	$ 100.00	$150.20	$103.57	$141.40	$158.02	$126.98
NYSE American	$ 100.00	$101.45	$ 72.08	$ 86.50	$ 85.89	$ 75.60
Peer Group	$ 100.00	$108.62	$117.37	$132.38	$133.46	$111.01

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SEABOARD CORPORATION
Quarterly Financial Data (unaudited)

(UNAUDITED) *(Millions of dollars except per share amounts)*	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total for the Year
2018					
Net sales	$1,579	$1,691	$1,651	$ 1,662	$ 6,583
Operating income	$ 97	$ 32	$ 37	$ 43	$ 209
Net earnings (loss) attributable to Seaboard	$ 32	$ 7	$ 35	$ (91)[a]	$ (17)
Earnings (loss) per common share	$26.75	$ 6.28	$29.93	$(77.58)[a]	$ (14.61)
2017					
Net sales	$1,399	$1,422	$1,402	$ 1,586	$ 5,809
Operating income	$ 68	$ 55	$ 73	$ 44	$ 240
Net earnings attributable to Seaboard	$ 85	$ 58	$ 81	$ 23 [b]	$ 247
Earnings per common share	$71.84	$50.51	$69.28	$ 19.38 [b]	$211.01

(a) During the fourth quarter of 2018, Seaboard recorded other investment losses of $167 million, which includes $122 million of non-cash, unrealized mark-to-market losses on short-term investments still held as of December 31, 2018. As a comparison, other investment income of $58 million was recorded in the fourth quarter of 2017.

(b) During the fourth quarter of 2017, Seaboard recorded $65 million of additional income tax expense, or $55.31 per common share, as a result of the December 22, 2017 enactment of the 2017 Tax Act. The additional income tax expense included a provisional $112 million of additional federal tax, payable over eight years, associated with the mandatory deemed repatriation of permanently invested foreign profits, partially offset by an estimated reduction in deferred taxes resulting from the rate decrease from 35% to 21%. See Note 13 to the consolidated financial statements for further information on the 2017 Tax Act.

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OVERVIEW

Seaboard Corporation and its subsidiaries ("Seaboard") together comprise a diverse global agribusiness and transportation company with operations in several industries. In the United States ("U.S."), Seaboard is primarily engaged in hog production, pork processing and ocean transportation. Overseas, Seaboard is primarily engaged in commodity merchandising, grain processing, sugar and alcohol production and electric power generation. Seaboard also has an equity method investment in Butterball, LLC ("Butterball"), a producer and processor of branded and non-branded turkey products which it reports as a segment.

Sales and costs of Seaboard's segments are significantly influenced by worldwide fluctuations in commodity prices and changes in foreign political and economic conditions. Accordingly, sales, operating income and cash flows can fluctuate significantly from year to year. As each segment operates in a distinct industry and a different geographic location, management evaluates their operations separately. Seaboard's reporting segments are based on information used by Seaboard's Chief Executive Officer to determine allocation of resources and assess performance, in his capacity as chief operating decision maker.

Pork Segment

Seaboard's Pork segment is a vertically integrated pork producer that primarily produces and sells fresh and frozen pork products to further processors, food service operators, grocery stores, distributors and retail outlets. This segment's sales are primarily to U.S. customers with some export sales to Japan, Mexico, China and numerous other foreign markets. Pork products include fresh pork, such as loins, tenderloins and ribs which are primarily sold to distributors and grocery stores and fresh and frozen pork products sold in bulk to further processors who produce products, such as lunch meat, ham, bacon and sausage. Pork product sales prices are directly affected by both domestic and worldwide supply and demand for pork products and other proteins.

The Pork segment's pork processing plant, located in Guymon, Oklahoma, generally operates at a double-shift processing capacity of approximately six million hogs annually. Seaboard also has a ham boning and processing plant in Mexico. In 2018, Seaboard raised approximately 89% of the hogs processed at its processing plant, with the remaining hog requirements purchased primarily under contracts with independent producers. Seaboard's hog production facilities consist of genetic and commercial breeding, farrowing, nursery and finishing buildings located in the central U.S. These facilities have a capacity to produce over six million hogs annually. Seaboard owns and operates seven centrally located feed mills to provide formulated feed to these hogs.

The Pork segment also produces biodiesel at facilities in Oklahoma and Missouri, which is sold to third parties. Biodiesel is produced from pork fat supplied by Seaboard's Oklahoma pork processing plant and from other animal fat and vegetable oil purchased from third parties. The biodiesel is sold to fuel blenders for distribution.

Seaboard has a 50% noncontrolling interest in Seaboard Triumph Foods, LLC ("STF"), which operates a pork processing plant located in Iowa. STF began single-shift operations in September 2017 and a second shift commenced in October 2018. STF's plant is designed to process about six million market hogs annually when operating at full capacity, which is expected to occur by the end of 2019. Seaboard has agreements with STF and Triumph Foods, LLC ("Triumph"), an independent pork processor, to market substantially all pork products produced at STF's and Triumph's pork processing plants. Seaboard and Triumph also sell a portion of the hogs they raise to the STF plant to be processed. Seaboard's sales prices for its pork products are primarily based on a margin sharing arrangement that considers the average sales price and mix of products sold from the Seaboard, Triumph and STF pork processing plants.

Sales prices are directly affected by both domestic and worldwide supply and demand for pork products and other proteins. Feed accounts for the largest input cost in raising hogs and is materially affected by price changes for corn and soybean meal. Market prices for hogs purchased from third parties for processing at the plant also represent a major cost factor. Within the portfolio of Seaboard's businesses, management believes profitability of the Pork segment is most susceptible to commodity price fluctuations. As a result, this segment's operating income and cash flows can materially fluctuate from year to year, significantly affecting Seaboard's consolidated operating income and cash flows. This segment is Seaboard's most capital-intensive segment, representing approximately 54% of Seaboard's total fixed assets, in addition to 44% of total inventories. With the Guymon plant generally operating at capacity, Seaboard is continually looking for ways to enhance the plant's operational efficiency, while also looking to increase margins by introducing new, higher value products.

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Commodity Trading and Milling Segment

Seaboard's Commodity Trading and Milling ("CT&M") segment, which is managed under the name of Seaboard Overseas and Trading Group, is an integrated agricultural commodity trading, processing and logistics company. Overall the CT&M segment has facilities in 31 countries, primarily in Africa, South America, the Caribbean and Europe. This division sources, transports and markets approximately 11 million metric tons per year of wheat, corn, soybeans, soybean meal and other commodities. This segment represents approximately 47% of Seaboard's total inventories as of December 31, 2018.

The commodity trading business has 13 offices in 12 countries, in addition to four non-consolidated affiliates in three other countries. The grain processing business, which includes 8 consolidated and 19 non-consolidated affiliates, operates facilities at 42 locations in 23 countries, with wheat flour mills located in 19 countries. Seaboard and its affiliates produce approximately six million metric tons of wheat flour, maize meal, manufactured feed and oilseed crush commodities per year in addition to other related grain-based products. The CT&M segment has invested in several entities in recent years and continues to seek opportunities to expand its trading, milling and agro-processing businesses.

The majority of the CT&M segment's sales are derived from sourcing agricultural commodities from multiple origins which are delivered to third-party and affiliate customers in various international locations. The execution of these purchase and delivery transactions have long cycles of completion, which may extend for several months with a high degree of price volatility. As a result, these factors can significantly affect sales volumes, operating income, working capital and related cash flows from period to period. Although this segment owns three vessels, the majority of the trading business is transacted with chartered ships. Consolidated and non-consolidated affiliates operate the grain processing business in foreign countries that are, in most cases, lesser developed. Foreign operations can be significantly impacted by changes in local crop production, political instability and local government policies, as well as fluctuations in economic and industry conditions and foreign currency exchange rates. This segment's sales are also significantly affected by fluctuating prices of various commodities, such as wheat, corn, soybeans and soybean meal. Exports from various countries can exacerbate volatile market conditions that may have a significant impact on both the trading and milling businesses' sales and operating income. Profit margins are sometimes protected by using commodity derivatives and other risk management practices.

Marine Segment

Seaboard's Marine segment provides cargo shipping services in the U.S. and 28 countries in the Caribbean and Central and South America. This segment's primary operations are at PortMiami and include a terminal and an off-port warehouse for cargo consolidation and temporary storage. At the Port of Houston, Seaboard's Marine segment operates a cargo terminal facility that includes on-dock warehouse space for temporary storage of bagged grains, resins and other cargoes. Seaboard also makes scheduled vessel calls to Brooklyn, New Orleans, Philadelphia and various ports in the Caribbean and Central and South America. The Marine segment uses a network of offices and agents throughout the U.S., Canada, the Caribbean and Central and South America to sell freight. Seaboard's capabilities allow transport by truck or rail of import and export cargo to and from various U.S. ports. This segment's fleet consists of 19 chartered and 3 owned vessels, and includes dry, refrigerated and specialized containers and other cargo related equipment.

Fluctuations in economic conditions and political instability in the regions or countries in which this segment operates may affect trade volumes and operating profits. In addition, cargo rates can fluctuate depending on regional supply and demand for shipping services. Because the Marine segment time-charters the majority of its ocean cargo vessels, it is affected by fluctuations in charter hire rates as well as fuel costs. This segment continues to explore ways to increase volumes on existing routes while seeking opportunities to broaden its route structure in the regions it serves.

Sugar and Alcohol Segment

In Argentina, Seaboard's Sugar and Alcohol segment operates a vertically integrated production facility with an annual capacity to crush approximately three million metric tons of sugar cane and produce approximately 250,000 metric tons of sugar and approximately 33 million gallons of alcohol. Seaboard grows sugarcane on its owned land in Argentina to supply most of the raw material processed in its plant. The sugar is primarily marketed locally, with some exports to the U.S. and other countries. The alcohol is marketed to industrial users or sold as dehydrated alcohol to certain oil companies under the Argentine governmental bio-ethanol program, which requires alcohol be blended with gasoline. This segment also owns a 51-megawatt cogeneration power plant, which is fueled by the burning of sugarcane by-products, natural gas and other biomass when available.

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The Sugar and Alcohol segment's sales and operating income are significantly affected by local and worldwide sugar and alcohol prices. Domestic sugar production levels in Argentina affect the local price. Global sugar price fluctuations, to a

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lesser extent, have an impact in Argentina as well. Historically, the functional currency of this segment was the Argentine peso, but during the third quarter of 2018 highly inflationary accounting was adopted and the U.S. dollar became the functional currency for U.S. GAAP purposes. See Note 1 to the consolidated financial statements for further discussion on highly inflationary accounting. The currency exchange rate can have an impact on reported U.S. dollar sales, operating income and cash flows.

Power Segment

Seaboard's Power segment is an unregulated independent power producer that generates electricity for the Dominican Republic power grid. This segment owns and operates a power generating barge, located on the Ozama River, that contains a system of engines capable of using natural gas or heavy fuel oil to produce up to 108 megawatts of electricity. The Power segment sells the electricity it generates primarily on the spot market to government-owned distribution companies and is subject to delays in obtaining timely collections from sales to these government-related entities. Supply of power in the Dominican Republic is determined by a government body and is subject to fluctuations based on governmental budgetary constraints. While fuel is this segment's largest cost component and is subject to price fluctuations, higher fuel costs generally have been passed on to customers. In November 2018, Seaboard's Power segment entered into a contract to build a new floating power barge with capacity to generate approximately 146 megawatts of electricity using gaseous fuels, including natural gas.

Turkey Segment

Seaboard has a 50% noncontrolling interest in Butterball, a vertically integrated producer and processor of branded and non-branded turkey products. Butterball has four processing plants, two further processing plants and numerous live production and feed milling operations located in North Carolina, Arkansas, Missouri and Kansas. These facilities produce over one billion pounds of turkey each year. Butterball is a national supplier to retail stores, foodservice outlets and industrial entities, and also exports products to Mexico and numerous other foreign markets. Sales prices are directly affected by both domestic and worldwide supply and demand for turkey products and other proteins. Feed accounts for the largest input cost in raising turkeys and is materially affected by price changes for corn and soybean meal. As a result, commodity price fluctuations can significantly affect the profitability and cash flows of Butterball.

LIQUIDITY AND CAPITAL RESOURCES

Summary of Sources and Uses of Cash

Cash and short-term investments as of December 31, 2018 decreased $162 million from December 31, 2017. The decrease was primarily the result of a business acquisition and lower repayments of affiliate notes receivables, partially offset by debt proceeds. Cash from operating activities decreased $7 million from 2017.

Cash and short-term investments as of December 31, 2017 increased $338 million from December 31, 2016. The increase was primarily the result of net cash from operating activities of $245 million, repayments of affiliate notes receivable of $167 million and proceeds from short-term and long-term debt of $83 million. Partially offsetting the increase was cash used for capital expenditures of $173 million. Cash from operating activities decreased $182 million from 2016 primarily as a result of lower net earnings including adjustments and working capital changes.

Capital Expenditures, Acquisitions and Other Investing Activities

During 2018, Seaboard invested $162 million in property, plant and equipment, of which $86 million was in the Pork segment, $29 million in the CT&M segment, $18 million in the Marine segment, $5 million in the Sugar and Alcohol segment, $23 million in the Power segment and the remaining amount in other businesses. The Pork segment expenditures were primarily for additional hog finishing barns and its plant expansion project as further discussed below. The CT&M segment expenditures were primarily for milling assets. The Power segment expenditures were primarily for its new power barge under construction as further discussed below. All other capital expenditures were primarily of a normal recurring nature such as replacements of machinery and equipment and general facility modernizations and upgrades.

The total budget for 2019 capital expenditures is $457 million. The Pork segment budgeted $217 million primarily for the expansion of the Guymon pork processing plant and the construction or possible acquisition of additional biodiesel production facilities. The plant will continue to operate at full production during the construction. The CT&M segment budgeted $77 million primarily for milling assets, including silos, and other improvements to existing facilities and related equipment. The Marine segment budgeted $40 million primarily for additional cargo carrying and handling equipment. The Sugar and Alcohol segment budgeted $32 million primarily for alcohol fermentation expansion plans. The Power segment budgeted $89 million for its new power barge. In November 2018, Seaboard's Power segment entered into a contract to build a new floating power barge with operations anticipated to begin in the first quarter of 2021. The total cost

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of the project is estimated to exceed $160 million. Seaboard's Power segment continues to explore strategic alternatives, including the possible sale or relocation of the existing power barge. The balance of $2 million is planned to be spent in all other businesses. 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.

During 2017, Seaboard invested $173 million in property, plant and equipment, of which $100 million was in the Pork segment, $15 million in the CT&M segment, $37 million in the Marine segment and $20 million in the Sugar and Alcohol segment. The Pork segment expenditures were primarily for improvements to existing facilities and additional hog finishing barns. The Sugar and Alcohol segment expenditures were primarily related to a new bioethanol distillery. All other capital expenditures were primarily of a normal recurring nature and included replacements of machinery and equipment, and general facility modernizations and upgrades.

During 2016, Seaboard invested $158 million in property, plant and equipment, of which $69 million was in the Pork segment, $35 million in the CT&M segment, $19 million in the Marine segment and $34 million in the Sugar and Alcohol segment. The Pork segment expenditures were primarily for improvements to existing facilities and related equipment, additional hog finishing barns and the June 2016 purchase and improvement of a biodiesel plant in St. Joseph, Missouri for $6 million that became operational in the third quarter of 2016. Of the CT&M segment expenditures, $29 million was for the construction of two dry bulk vessels, which were delivered and then sold and leased back by Seaboard at book value of $44 million during the first quarter of 2016. The Marine segment expenditures were primarily for purchases of cargo carrying and handling equipment. The Sugar and Alcohol segment expenditures were primarily for milling capacity increases and fermentation and distillery equipment upgrades. All other capital expenditures were primarily of a normal recurring nature and included replacements of machinery and equipment, and general facility modernizations and upgrades.

During the first quarter of 2018, Seaboard's CT&M segment acquired three flour mills and an associated grain trading business located in Senegal, Ivory Coast and Monaco for total consideration of $324 million, net of cash acquired. The acquisition was primarily funded using proceeds from Seaboard's short-term investments and the incurrence of a note payable to the sellers. With this business, the CT&M segment increased its flour and feed milling capacity and annual grain trading volumes. Also, during the first quarter, Seaboard's CT&M segment acquired a 50% noncontrolling interest in a grain trading and flour milling business in Mauritania for total consideration of $16 million. See Note 2 to the consolidated financial statements for further information on this acquisition and Note 6 for further discussion of this non-consolidated affiliate. Also, during 2018, Seaboard's CT&M segment increased its ownership interest in a non-consolidated affiliate and paid $5 million for shares purchased.

During 2017, Seaboard's CT&M segment acquired a pulse and grain elevator in Canada for $14 million and invested an additional $7 million in a grain trading and poultry business in Morocco, increasing its ownership interest in this Moroccan business to 19.4%. See Note 2 to the consolidated financial statements for further information on the elevator purchase and Note 6 to the consolidated financial statements for further discussion of this non-consolidated affiliate.

During 2017 and 2016, Seaboard contributed $73 million and $51 million, respectively, to STF for construction of its pork processing plant in Iowa, which began operations in September 2017. In addition to capital contributions, Seaboard also agreed to provide a portion of the hogs to be processed at the plant. During 2017 and 2016, Seaboard acquired hog inventory and hog farms through acquisitions of existing farm operations for a total investment of $40 million and $219 million, respectively. These assets increased Seaboard's hog production capacity to meet the hog supply commitment. See Note 2 to the consolidated financial statements for further discussion of certain acquisitions.

Seaboard purchased equity interests in limited liability companies that operate refined coal processing plants that generate federal income tax credits. Seaboard's funding commitment for these companies varies depending on production and, based on current production estimates, is anticipated to be approximately $14 million in 2019, $9 million in 2020 and $9 million in 2021. Seaboard invested $17 million, $10 million and $14 million during 2018, 2017 and 2016, respectively.

In 2016, Seaboard invested $7 million of cash and converted its $8 million note receivable to equity for a 36% noncontrolling interest in a holding company that owns a Caribbean terminal operation. The investment is accounted for in the Marine segment using the equity method and reported on a three-month lag.

During 2016, Seaboard invested an additional $14 million in equity and long-term advances in a flour production business in Brazil, of which at December 31, 2018 is a wholly-owned subsidiary of Seaboard. See Note 6 to the consolidated financial statements for further discussion of this investment.

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Financing Activities, Debt and Related Covenants

The following table presents a summary of Seaboard’s available borrowing capacity:

(Millions of dollars)	Total amount available
Short-term uncommitted and committed lines	$ 634
Amounts drawn against lines	(148)
Letters of credit reducing borrowing availability	(18)
Available borrowing capacity as of December 31, 2018	$ 468

In 2018, Seaboard entered into an Amended and Restated Term Loan Credit Agreement (“Credit Agreement”) that replaced Seaboard Foods LLC’s (“Seaboard Foods”) $500 million unsecured term loan with a $700 million unsecured term loan (“Term Loan”) and extended the maturity from December 4, 2022 to September 25, 2028. Seaboard received proceeds of $220 million, net of certain costs. As of December 31, 2018, Seaboard also had $80 million of foreign subsidiary long-term debt, primarily denominated in euros and U.S. dollars.

Seaboard was in compliance with all restrictive covenants related to these facilities and loans as of December 31, 2018. Seaboard has capacity under existing loan covenants to undertake additional debt financings of approximately $1,489 million as of December 31, 2018. See Note 7 to the consolidated financial statements for further discussion of notes payable and long-term debt.

As of December 31, 2018, Seaboard had cash and short-term investments of $1,530 million and additional total working capital of $713 million. Accordingly, management believes Seaboard’s combination of internally generated cash, liquidity, capital resources and borrowing capabilities will be adequate for its existing operations and any currently known potential plans for expansion of existing operations or business segments for 2019. Management intends to continue seeking opportunities for expansion in the industries in which Seaboard operates, utilizing existing liquidity, available borrowing capacity and other financing alternatives.

As of December 31, 2018, $294 million of the $1,530 million 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 the majority of these funds outside the 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. However, with the enactment of the Tax Cuts and Job Act in December 2017, Seaboard accrued a provisional $112 million of federal tax in its consolidated financial statements as of December 31, 2017. During 2018, Seaboard updated the provisional tax to $126 million in its consolidated financial statements as of December 31, 2018 associated with the mandatory deemed repatriation of these balances. See Note 13 to the consolidated financial statements for further discussion on the tax reform.

Seaboard repurchased 1,333 shares of common stock for a total cost of $5 million during 2018. No shares of common stock were repurchased by Seaboard in 2017 or 2016. In each of the four quarters of 2018 and 2017, Seaboard declared and paid quarterly dividends of $1.50 per share of common stock. Seaboard’s Board of Directors intends that Seaboard will continue to pay quarterly dividends for the reasonably foreseeable future, with the amount of any dividends being dependent upon such factors as Seaboard’s financial condition, results of operations and current and anticipated cash needs, including capital requirements. There were no dividends paid in 2016. See Note 11 to the consolidated financial statements for further discussion on stockholders’ equity.

Contractual Obligations and Off-Balance Sheet Arrangements

Several of Seaboard’s segments have long-term contractual obligations, including non-cancelable operating lease agreements for facilities and equipment. The Marine and CT&M segments enter into contracts to time-charter vessels for use in operations. The Pork segment has contract grower agreements in place with farmers to raise a portion of Seaboard’s hogs to support its operations. The Pork segment has also entered into grain and feed ingredient purchase contracts to support the segment’s live hog operations and has contracted for the purchase of additional hogs from third parties. The CT&M segment enters into commodity purchase contracts, primarily to support sales commitments. See Note 8 to the consolidated financial statements for further discussion on contractual obligations and other purchase commitments.

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The following table provides a summary of Seaboard's contractual obligations as of December 31, 2018:

		Payments due by period			
(Millions of dollars)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Ports	$ 203	$ 18	$ 37	$ 39	$ 109
Vessel, time and voyage-charter commitments	157	58	53	21	25
Contract grower agreements	231	47	78	45	61
Other operating lease payments	69	18	22	14	15
Total lease obligations	$ 660	$ 141	$ 190	$ 119	$ 210
Purchase commitments	1,647	853	200	208	386
Short-term notes payable	148	148	—	—	—
Long-term debt	779	39	62	15	663
Interest payments [a]	275	31	60	56	128
Retirement benefit payments [b]	93	10	19	31	33
Mandatory deemed repatriation tax [c]	80	7	13	13	47
Power barge and pork plant expansion	218	138	80	—	—
Investment in affiliates [d]	32	14	18	—	—
Total contractual cash obligations and commitments	$ 3,932	$ 1,381	$ 642	$ 442	$ 1,467

[a] Interest payments in the table above include expected cash payments for interest on variable and fixed rate long-term debt. Variable interest rates are based on interest rates as of December 31, 2018.

[b] Retirement benefit payments in the table above represent expected benefit payments for various non-qualified pension plans and supplemental retirement arrangements as discussed in Note 9 to the consolidated financial statements, which are unfunded obligations that are deemed to be employer contributions. No contributions are planned at this time to the qualified pension plan.

[c] U.S. federal income tax on mandatory deemed repatriation is payable over eight years pursuant to the 2017 Tax Act.

[d] Investment in affiliates represents obligations made to equity method investments for expected funding commitments to three limited liability companies that operate refined coal processing plants.

Non-current deferred income taxes and certain other long-term liabilities in the consolidated balance sheets are not included in the table above as management is unable to reliably estimate the timing of the payments for these items. In addition, deferred revenues and other deferred credits included in other long-term liabilities in the consolidated balance sheets have been excluded from the table above because they do not represent contractual obligations.

RESULTS OF OPERATIONS

Net sales for the years ended December 31, 2018, 2017 and 2016 were $6,583 million, $5,809 million and $5,379 million, respectively. The increase for 2018 compared to 2017 primarily reflected higher volumes and sales prices for certain commodities in the CT&M segment, higher biodiesel revenue and higher volume of market hogs and pork products sold in the Pork segment and higher cargo volumes and rates in the Marine segment. The increase for 2017 compared to 2016 primarily reflected higher sales prices and volumes for certain commodities in the CT&M segment, higher overall prices for pork products sold, higher sales volume of market hogs and higher biodiesel revenue in the Pork segment, higher cargo volumes in the Marine segment and higher selling prices and volumes for alcohol in the Sugar and Alcohol segment.

Operating income for the years ended December 31, 2018, 2017 and 2016 were $209 million, $240 million and $230 million, respectively. The decrease for 2018 compared to 2017 primarily reflected lower prices on pork products sold and higher feed costs in the Pork segment, partially offset by higher margins from biodiesel sales in the Pork segment, higher margins on third-party sales in the CT&M segment and higher spot market rates in the Power segment. The increase for 2017 compared to 2016 primarily reflected higher margins from sugar in the Sugar segment and higher margins from meat prices in the Pork segment, partially offset by lower margins on biodiesel in the Pork segment, lower margins on commodities in the CT&M segment and lower cargo rates and higher fuel costs in the Marine segment.

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Pork Segment

(Millions of dollars)	2018	2017	2016
Net sales	$ 1,774	$ 1,609	$ 1,443
Operating income	$ 117	$ 193	$ 179
Income (loss) from affiliates	$ (30)	$ (10)	$ 11

Net sales for the Pork segment increased $165 million for the year ended December 31, 2018 compared to 2017. The increase was primarily the result of increased volumes of pork products sold, increased volumes and prices of biodiesel sales, the receipt of the federal blender's credits of $42 million and higher sales of market hogs to third parties and affiliates. In February 2018, Congress retroactively extended the federal blender's credits for 2017 which resulted in recognizing revenue in the first quarter of 2018. The federal blender's credits were not renewed during 2018. The increase was partially offset by lower prices for both pork products and market hogs sold. See Note 13 to the consolidated financial statements for further discussion of the federal blender's credits.

Operating income for the Pork segment decreased $76 million for the year ended December 31, 2018 compared to 2017. The decrease was primarily due to lower prices for pork products along with higher feed costs, partially offset by higher volumes of pork products sold and the federal blender's credits of $42 million as discussed above. Seaboard sells pork to international customers located in China and Mexico, among other countries, and recent incremental tariffs, the duration of which is uncertain, continue to have a negative impact on earnings. Management is unable to predict future market prices for pork products, the cost of feed or third-party hogs or the government's intentions with the federal blenders' credits; however, management anticipates positive operating income for this segment in 2019.

Loss from affiliates increased $20 million for the year ended December 31, 2018 compared to 2017, primarily due to the start-up of STF operations, which began in September 2017.

Net sales for the Pork segment increased $166 million for the year ended December 31, 2017 compared to 2016. The increase was primarily the result of higher overall prices for pork products sold, higher sales volume of market hogs related to the August 2017 acquisition, higher biodiesel revenue and, to a lesser extent, a higher volume of pork products sold internationally.

Operating income for the Pork segment increased $14 million for the year ended December 31, 2017 compared to 2016. The increase was primarily the result of improved overall margins from higher meat prices and market hog sales, partially offset by lower biodiesel margins because the federal blender's credits were not renewed during 2017.

Income from affiliates decreased $21 million for the year ended December 31, 2017 compared to 2016, primarily due to the start-up of STF operations, which began in September 2017, partially offset by earnings from its other non-consolidated affiliate, Daily's Premium Meats, LLC.

Commodity Trading and Milling Segment

(Millions of dollars)	2018	2017	2016
Net sales	$ 3,428	$ 2,945	$ 2,778
Operating income as reported	$ 46	$ 25	$ 38
Mark-to-market adjustments	3	(4)	—
Operating income excluding mark-to-market adjustments	$ 49	$ 21	$ 38
Income (loss) from affiliates	$ (11)	$ 7	$ (10)

Net sales for the CT&M segment increased $483 million for the year ended December 31, 2018 compared to 2017. The increase primarily reflected higher volume of third-party sales, including sales for a business acquired in January 2018, and higher affiliate sales prices, partially offset by lower third-party sales prices.

Operating income for the CT&M segment increased $21 million for the year ended December 31, 2018 compared to 2017. The increase primarily reflected higher margins on third-party sales, predominantly related to the business acquired, partially offset by higher selling, general and administrative costs related to the business acquired. Excluding the effects of the mark-to-market adjustments for derivative contracts, operating income increased $28 million as discussed below.

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 future sales and

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operating results for this segment. However, management anticipates positive operating income for this segment in 2019, 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 higher by $3 million in 2018, lower by $4 million in 2017 and remained the same in 2016. While management believes its commodity futures, options and foreign exchange contracts 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 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 products 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 therefore, these mark-to-market adjustments could reverse in fiscal 2019. 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.

Income from affiliates for the CT&M segment decreased by $18 million for the year ended December 31, 2018 compared to 2017. The decrease primarily reflected price and volume volatility in local markets of certain Seaboard affiliates, including losses at an equity method investment located in the Democratic Republic of Congo ("DRC"). See Note 6 to the consolidated financial statements for further information on this affiliate. Based on the uncertainty of local political and economic environments in the countries in which Seaboard's affiliates operate, management cannot predict future results.

Net sales for the CT&M segment increased $167 million for the year ended December 31, 2017 compared to 2016. The increase primarily reflected higher sales prices for wheat sales to third parties and higher volumes of sales to affiliates and third parties, partially offset by lower corn and soybean meal sales prices and volumes to third parties.

Operating income for the CT&M segment decreased $13 million for the year ended December 31, 2017 compared to 2016. The decrease primarily reflected lower margins on commodities and higher selling, general and administrative expense, partially offset by higher gains of $4 million on mark-to-market derivative contracts. Excluding the effects of the mark-to-market adjustments for derivative contracts, operating income decreased $17 million primarily due to a decrease in commodity prices in the pulse market.

Income from affiliates for the CT&M segment increased $17 million for the year ended December 31, 2017 compared to 2016. The increase primarily reflected consolidation of an equity method investment that incurred $10 million of losses during 2016. See Note 6 to the consolidated financial statements for further discussion of this affiliate.

Marine Segment

(Millions of dollars)	2018	2017	2016
Net sales	$ 1,057	$ 956	$ 916
Operating income	$ 25	$ 21	$ 33
Income (loss) from affiliate	$ 2	$ (7)	$ 1

Net sales for the Marine segment increased $101 million for the year ended December 31, 2018 compared to 2017. The increase was primarily the result of higher volumes and rates in certain markets during 2018 compared to 2017.

Operating income for the Marine segment increased $4 million for the year ended December 31, 2018 compared to 2017. The increase was primarily the result of higher revenues, partially offset by higher voyage costs related to fuel price increases and other expenses. Management cannot predict changes in future cargo volumes, cargo rates and fuel costs or to what extent changes in economic conditions in markets served will affect net sales or operating income. However, management anticipates this segment will have positive operating income for 2019.

Income from affiliates increased $9 million for the year ended December 31, 2018 compared to 2017 primarily due to an other-than-temporary impairment charge of $6 million incurred in 2017 related to Seaboard's equity-method investment in a holding company that owns a terminal operation. See Note 6 to the consolidated financial statements for further information on this affiliate.

Net sales for the Marine segment increased $40 million for the year ended December 31, 2017 compared to 2016. The increase was primarily the result of higher volumes in certain markets during 2017 compared to 2016, partially offset by lower cargo rates.

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Operating income for the Marine segment decreased $12 million for the year ended December 31, 2017 compared to 2016. The decrease was primarily the result of lower cargo rates and higher fuel costs, partially offset by lower other voyage costs.

Income from affiliates decreased $8 million for the year ended December 31, 2017 compared to 2016 primarily due to an other-than-temporary impairment charge of $6 million as discussed above.

Sugar and Alcohol Segment

(Millions of dollars)	2018	2017	2016
Net sales	$ 184	$ 186	$ 147
Operating income (loss)	$ 9	$ 21	$ (12)
Income from affiliates	$ 1	$ 1	$ 2

Net sales for the Sugar and Alcohol segment decreased $2 million for the year ended December 31, 2018 compared to 2017. The decrease primarily reflected lower prices of sugar and alcohol sold, partially offset by higher volumes of sugar and alcohol sold. Sugar and alcohol sales are denominated in Argentine pesos, and an increase in local sales prices was offset by exchange rate changes as the Argentine peso continued to weaken against the U.S. dollar. Management cannot predict local sugar and alcohol prices or the volatility in the currency exchange rate. Argentina was determined by management to be a highly inflationary economy in the second quarter of 2018, and as a result, this segment's functional currency is the U.S. dollar effective in the third quarter of 2018 until the economic environment stabilizes.

Operating income for the Sugar and Alcohol segment decreased $12 million for the year ended December 31, 2018 compared to 2017. The decrease primarily reflected lower margins on sugar, alcohol and cogeneration, partially offset by lower selling, general and administrative expenses related to salaries and benefits. Costs for 2018 included a total of $5 million in severance costs related to a restructuring of its workforce. Based on recent market conditions, management currently cannot predict if this segment will be profitable in 2019.

Net sales for the Sugar and Alcohol segment increased $39 million for the year ended December 31, 2017 compared to 2016. The increase primarily reflected higher volumes and selling prices of alcohol and higher selling prices for sugar, partially offset by lower volumes of sugar sold.

Operating income for the Sugar and Alcohol segment increased $33 million for the year ended December 31, 2017 compared to 2016. The increase primarily reflected higher margins from sugar, alcohol and cogeneration primarily related to increased selling prices, partially offset by higher selling, general and administrative costs. During 2016, labor strikes and inclement weather negatively impacted volumes and resulted in a $12 million sugar inventory charge.

Power Segment

(Millions of dollars)	2018	2017	2016
Net sales	$ 122	$ 97	$ 79
Operating income	$ 21	$ 9	$ 7
Income from affiliate	$ 10	$ 6	$ 4

Net sales for the Power segment increased $25 million for the year ended December 31, 2018 compared to 2017. The increase primarily reflected higher spot market rates.

Operating income for the Power segment increased $12 million for the year ended December 31, 2018 compared to 2017 primarily due to higher spot market rates, partially offset by higher fuel costs. Management cannot predict future fuel costs or the extent that spot market rates will fluctuate compared to fuel costs; however, management anticipates positive operating income for this segment in 2019.

Net sales for the Power segment increased $18 million for the year ended December 31, 2017 compared to 2016. The increase primarily reflected higher spot market rates.

Operating income for the Power segment increased $2 million for the year ended December 31, 2017 compared to 2016 primarily due to higher spot market rates, partially offset by higher fuel costs.

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Turkey Segment

(Millions of dollars)	2018	2017	2016
Income (loss) from affiliate	$ (16)	$ (4)	$ 73

The Turkey segment, accounted for using the equity method, represents Seaboard's investment in Butterball. The increase in loss from affiliate for 2018 compared to 2017 was primarily the result of higher logistics and production costs and lower volumes of turkey products sold in 2018, partially offset by Seaboard's proportionate share of the Illinois plant closure during 2017 as discussed below. Management is unable to predict future market prices for turkey products or the cost of feed. Based on recent market conditions, management currently cannot predict if this segment will be profitable in 2019.

The decrease in income from affiliate for 2017 compared to 2016 was primarily the result of lower prices for turkey products sold, pricing pressure from competing proteins and higher live growing costs. Also, the decrease included the 2017 closure of a further processing plant located in Illinois. Butterball's closure of the plant resulted in charges primarily related to impaired fixed assets and accrued severance. Seaboard's proportionate share of these charges, recognized in income (loss) from affiliates, was $18 million, all recorded in 2017.

Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expenses for the year ended December 31, 2018 increased $5 million over 2017 to $314 million. The increase was primarily the result of increased personnel-related costs in the CT&M segment, related to the business acquired in January 2018, partially offset by lower costs related to Seaboard's deferred compensation program which are offset by the effect of the mark-to-market on investments recorded in other investment income (loss). As a percentage of revenues, SG&A was 5% for 2018 and 2017.

SG&A expenses for the year ended December 31, 2017 increased $42 million over 2016 to $309 million. The increase was primarily the result of increased personnel-related costs, including costs related to Seaboard's deferred compensation program which are offset by the effect of the mark-to-market on investments recorded in other investment income (loss). As a percentage of revenues, SG&A was 5% for 2017 and 2016.

Interest Expense

Interest expense totaled $44 million, $29 million and $29 million for the years ended December 31, 2018, 2017 and 2016, respectively. The increases in 2018 compared to 2017 primarily related to more debt outstanding, an increase in interest rates and less capitalized interest.

Interest Income from Affiliates

Interest income from affiliates totaled $3 million, $22 million and $24 million for the years ended December 31, 2018, 2017 and 2016, respectively. The decrease for 2018 compared 2017 primarily relates to a Butterball note receivable, which was repaid in December 2017. See Note 6 to the consolidated financial statements for further discussion.

Other Investment Income (Loss), Net

Other investment income (loss), net totaled $(152) million, $177 million and $69 million for the years ended December 31, 2018, 2017 and 2016, respectively. The decrease for 2018 compared to 2017 primarily reflects $110 million of unrealized losses on short-term investments still held as of December 31, 2018, due to mark-to-market fluctuations, and, to a lesser extent, realized losses of $24 million. The increase for 2017 compared to 2016 primarily reflects higher income on short-term investments related to mark-to-market fluctuation and dividends.

Foreign Currency Gains, Net

Foreign currency gains, net totaled $4 million, $14 million and $2 million for the years ended December 31, 2018, 2017 and 2016, respectively. The decrease in foreign currency gains, net in 2018 compared to 2017 primarily reflected losses in the euro and British pound on Seaboard's short-term investments and the Zambian kwacha, partially offset by gains in the Argentine peso, among fluctuations of other currency exchange rates in several foreign countries. As a result of the change in the Sugar and Alcohol segment's functional currency to the U.S. dollar, any foreign currency impact was included in the statement of comprehensive income. See Note 1 to the consolidated financial statements for further discussion of this change. The increase in foreign currency gains, net in 2017 compared to 2016 primarily reflected gains in the euro and British pound on Seaboard's short-term investments and the Zambian kwacha on, partially offset by losses in the South African rand, among fluctuations of other currency exchange rates in several foreign countries. The political and economic conditions of the countries in which Seaboard operates and does business, along with fluctuations in the value of the U.S. dollar, cause volatility in currency exchange rates, which exposes Seaboard to fluctuating foreign currency gains and losses that cannot be predicted. Although Seaboard does not utilize hedge accounting, Seaboard does

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utilize foreign currency exchange contracts to manage its risks and exposure to foreign currency fluctuations. Management believes gains and losses on commodity transactions, including the mark-to-market effects, of such foreign currency exchange contracts relate to the underlying commodity transactions and classifies such gains and losses in cost of sales. All other gains and losses on foreign currency exchange contracts are included in foreign currency gains (losses), net.

Income Tax Expense

The 2018 effective tax rate was lower than 2017 primarily due to a current year loss versus prior year earnings, tax exempt income from the retroactive extension of the 2017 federal blender's credits during the first quarter of 2018 and the lower statutory U.S. federal income tax rate. The decrease was partially offset by a tax classification change of a wholly-owned subsidiary from a partnership to a corporation, updated provisional tax related to the Tax Cuts and Jobs Act ("2017 Tax Act") and a change in mix of domestic and foreign earnings from the prior year. The 2017 effective tax rate was higher than 2016 primarily due to the enactment of the 2017 Tax Act, partially offset by the expiration of the U.S. biodiesel tax provisions on December 31, 2016 and lower tax credits in 2017. The 2017 effective tax rate reflects an increase in Seaboard's taxes payable resulting from the one-time mandatory deemed repatriation charge and a decrease in value of Seaboard's deferred tax assets due to the corporate rate decrease from 35% to 21%. This change was partially offset by reduced tax expense resulting from the rate decrease impact on the deferred tax liabilities. See Note 13 to the consolidated financial statements for further information on Seaboard's income taxes.

OTHER FINANCIAL INFORMATION

Management does not believe its businesses have been materially adversely affected by inflation. See Note 1 to the consolidated financial statements for a discussion of recently issued accounting standards.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the U.S. ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Management has identified the accounting estimates believed to be the most important to the portrayal of Seaboard's financial condition and results, and that require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Management has reviewed these critical accounting estimates with the Audit Committee of the Board of Directors.

Allowance for Doubtful Accounts – Seaboard primarily uses a specific identification approach to evaluate the adequacy of this reserve for estimated uncollectible receivables at the consolidated balance sheet date. Changes in estimates, developing trends and other new information can have a material effect on future evaluations. Furthermore, Seaboard's total current receivables are heavily weighted toward foreign receivables ($418 million or 77% as of December 31, 2018), including foreign receivables due from affiliates ($91 million as of December 31, 2018), which generally represent more of a collection risk than its domestic receivables. Receivables due from affiliates are generally associated with entities located in foreign countries considered less developed than the U.S. that can experience conditions causing sudden changes to their ability to pay such receivables on a timely basis or in full. Based on various historical experiences, future collections of receivables or lack thereof could result in a material charge or credit to earnings depending on the ultimate resolution of each individual customer past due receivable. Bad debt expense for the years ended December 31, 2018, 2017 and 2016 was $7 million, $12 million and $15 million, respectively.

Valuation of Inventories – Inventories are generally valued at the lower of cost and net realizable value. In determining net realizable value, management makes assumptions regarding estimated sales prices, estimated costs to complete and estimated disposal costs. For commodity trading inventories, when contract performance by a customer becomes a concern, management must also evaluate available options to dispose of the inventory, including assumptions about potential negotiated changes to sales contracts, sales prices in alternative markets in various foreign countries and potentially additional transportation costs. At times, management must consider probability, weighting various viable alternatives, in its determination of the net realizable value of the inventories. These assumptions and probabilities are subjective in nature and are based on management's best estimates and judgments existing at the time of preparation. Changes in future market prices or facts and circumstances could result in a material write down in the value of inventory or decreased future margins on the sale of inventory.

Impairment of Long-Lived Assets – The recoverability of long-lived assets, primarily property, plant and equipment and definite-lived intangibles, are reviewed for impairment whenever events or changes in circumstances indicate that the

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carrying amount may not be recoverable. Recoverability of assets is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset group. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Some of the key assumptions utilized in determining future projected cash flows include estimated growth rates, expected future sales prices, estimated costs, royalty rates and terminal values. In some cases, judgment is also required in assigning probability weighting to the various future cash flow scenarios. The probability weighting percentages used and the various future projected cash flow models prepared by management are based on facts and circumstances existing at the time of preparation and management's best estimates and judgment of future operating results. Seaboard cannot predict the occurrence of certain future events that might adversely affect the reported value of long-lived assets, which include, but are not limited to, a change in the business climate, government incentives, a negative change in relationships with significant customers, and changes to strategic decisions made in response to economic and competitive conditions. Changes in these facts, circumstances and management's estimates and judgment could result in an impairment of property, plant and equipment or definite-lived intangibles, resulting in a material charge to earnings.

Investments in and Advances to Affiliates and Notes Receivable from Affiliates – Seaboard has numerous investments in and advances to various businesses that it owns 50% or less for a noncontrolling interest and are accounted for using the equity method. In addition, for some of these investments, Seaboard also has notes receivable for loans it provided to these businesses. For the CT&M segment, these investments are primarily in foreign countries, which are less developed than the U.S., and therefore, expose Seaboard to greater financial risks. At certain times when there are ongoing operating losses, local economies are depressed, commodity-based markets are less stable, or foreign governments cause challenging business conditions, the fair value of the equity method investment is evaluated by management. The fair value of these investments is not readily determinable as almost all of these investments are not publicly traded. Management will use other methods to determine fair value such as estimated future cash flows, including assumptions on growth rates, for the business and consideration of other local business conditions as applicable. If the fair value of the investment is determined to be less than the carrying value and the decline in value is considered to be other than temporary, an appropriate write down is recorded to income (loss) from affiliates based on the excess of the carrying value over the best estimate of fair value of the investment. In addition, if based on current information and events it is probable that Seaboard will be unable to collect all amounts due according to the contractual terms of the notes receivable from affiliates and an amount can be reasonably estimated, Seaboard will write down the amounts to estimated realizable value. Information and events creating uncertainty about the realization of recorded amounts for notes from affiliates include, but are not limited to, the estimated cash flows generated by the affiliate's business, the sufficiency of collateral securing the amounts, the creditworthiness of the counterparties involved, and the consideration of other local business conditions as applicable. Changes in facts, circumstances and management's estimates and judgment could result in a material charge to earnings. See Note 6 to the consolidated financial statements for further discussion on Seaboard's affiliates.

Income Taxes – Income taxes are determined by management based on current tax regulations in the various worldwide taxing jurisdictions in which Seaboard conducts its business. In various situations, accruals have been made for estimates of the tax effects for certain transactions, business structures, the estimated reversal of timing differences and future projected profitability of Seaboard's various business units based on management's interpretation of existing facts, circumstances and tax regulations. Should new evidence come to management's attention that could alter previous conclusions or if taxing authorities disagree with the positions taken by Seaboard, the change in estimate could result in a material adverse or favorable impact on the financial statements. See Note 13 to the consolidated financial statements for further discussion on income taxes.

Accrued Pension Liability – The measurement of Seaboard's pension liability and related expense is dependent on a variety of assumptions and estimates regarding future events. These assumptions include discount rates, assumed rate of return on plan assets, compensation increases, turnover rates, mortality rates and retirement rates. The discount rate and return on plan assets are important elements of liability and expense measurement and are reviewed on an annual basis. The effect of decreasing both the discount rate and assumed rate of return on plan assets by 50 basis points would be an increase in pension expense of approximately $3 million per year. The effects of actual results differing from the assumptions (i.e. gains or losses) are primarily accumulated in accrued pension liability and amortized over future periods if it exceeds the 10% corridor and, therefore, could affect Seaboard's recognized pension expense in such future periods, as permitted under GAAP. Accordingly, accumulated gains or losses in excess of the 10% corridor are amortized over the average future service of active participants. See Note 9 to the consolidated financial statements for further discussion.

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DERIVATIVE INFORMATION

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 derivatives are used to manage all of these overall market risks; however, Seaboard does not perform the extensive record-keeping required to account for derivative transactions as hedges. Management believes it uses derivatives primarily as economic hedges, although they do not qualify as hedges for accounting purposes. Because these derivatives are not accounted for as hedges, fluctuations in the related prices could have a material impact on earnings in any given year. Seaboard also enters into speculative derivative transactions related to its market risks.

Commodity price changes affect the cost of necessary raw materials and other inventories, finished product sales and firm sales commitments. Seaboard uses various grain, oilseed and other commodity futures and options purchase contracts to manage certain risks of increasing prices of raw materials and firm sales commitments or anticipated sales contracts. Short sales contracts are used to offset the open purchase derivatives when the related commodity inventory is purchased in advance of the derivative maturity, effectively offsetting the initial futures or option purchase contract. From time to time, hog futures are used to manage risks of increasing prices of hogs acquired for processing, and hog futures are used to manage risks of fluctuating prices of pork product inventories and related future sales. Inventories that are sensitive to changes in commodity prices, including carrying amounts as December 31, 2018 and 2017, are presented in Note 4 to the consolidated financial statements.

Because changes in foreign currency exchange rates affect the cash paid or received on foreign currency denominated receivables and payables, Seaboard manages certain of these risks through the use of foreign currency exchange agreements. Because changes in interest rates affect the cash required to service variable-rate debt, Seaboard sometimes uses interest rate exchange agreements to manage risks of increasing interest rates.

Equity price risk is the risk that Seaboard may incur losses due to adverse changes in the market prices of the equity securities it holds in its short-term investment portfolio. Market prices for equity securities are subject to fluctuation and may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. As of December 31, 2018 and 2017, the fair value of Seaboard's marketable equity securities was approximately $878 million and $1 billion, respectively. Seaboard enters into equity futures contracts to manage the equity price risk with respect to certain short-term investments.

The following table presents the sensitivity of the fair value of Seaboard's open net commodity future and option contracts, foreign currency exchange agreements and marketable equity securities to a hypothetical 10% change in market prices, and foreign exchange rates as of December 31, 2018 and 2017. For all open derivatives, the fair value of such positions is a summation of the fair values calculated for each item by valuing each net position at quoted market prices as of the applicable date.

(Millions of dollars)	December 31, 2018	December 31, 2017
Grains and oilseeds	$ 23	$ 18
Energy related resources	1	2
Hogs	2	1
Equity prices	88	110
Foreign currencies	10	14

The table below provides information about Seaboard's long-term debt that is sensitive to changes in interest rates as of December 31, 2018. For this variable rate debt, the table presents principal cash flows and related weighted average interest rates by expected maturity dates. Long-term variable debt included foreign subsidiary obligations payable in Argentine pesos of $2 million and $13 million as of December 31, 2018 and 2017, respectively.

(Millions of dollars)	2019	2020	2021	2022	2023	Thereafter	Total
Long-term debt:							
Variable rate	$ 39	$ 9	$ 9	$ 8	$ 7	$ 663	$ 735
Weighted average interest rate	3.61%	5.28%	5.26%	5.24%	4.56%	4.15%	4.16%

Long-term debt sensitive to changes in interest rates as of December 31, 2017 totaled $504 million with a weighted average interest rate of 3.84%.

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SEABOARD CORPORATION
Management's Reports

Management's Responsibilit y for Consolidated Financial Statements

The management of Seaboard Corporation and its subsidiaries ("Seaboard") is responsible for the preparation of its consolidated financial statements and related information appearing in this report. Management believes that the consolidated financial statements fairly present Seaboard's financial position and results of operations in conformity with U.S. generally accepted accounting principles, and necessarily includes amounts that are based on estimates and judgments which it believes are reasonable based on current circumstances with due consideration given to materiality.

Management relies on a system of internal controls over financial reporting that is designed to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance with company policy and U.S. generally accepted accounting principles and are properly recorded, and accounting records are adequate for preparation of financial statements and other information and disclosures. The concept of reasonable assurance is based on recognition that the cost of a control system should not exceed the benefits expected to be derived, and such evaluations require estimates and judgments. The design and effectiveness of the system are monitored by a professional staff of internal auditors.

All internal control systems, no matter how well designed, have inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Board of Directors pursues its review of auditing internal controls and financial statements through its audit committee, composed entirely of independent directors. In the exercise of its responsibilities, the audit committee meets periodically with management, with the internal auditors and with the independent registered public accounting firm to review the scope and results of audits. Both the internal auditors and the independent registered public accounting firm have unrestricted access to the audit committee, with or without the presence of management.

Management's Report on Internal Control Over Financial Reporting

The management of Seaboard Corporation and its subsidiaries ("Seaboard") is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the Securities Exchange Act of 1934 Rule 13a-15(f). Under the supervision, and with the participation of management and its Internal Audit Department, Seaboard conducted an evaluation of the effectiveness of its internal control over financial reporting based on the framework in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Management's assessment of the effectiveness of Seaboard's internal control over financial reporting as of December 31, 2018 excluded Groupe Mimran ("Mimran"), which was acquired on January 5, 2018. Total assets excluded represented approximately $447 million, or 8%, of Seaboard's consolidated assets as of December 31, 2018. Total revenue excluded was approximately $247 million, or 4%, of Seaboard's consolidated revenue for the year ended December 31, 2018. Based on its evaluation under the framework in *Internal Control - Integrated Framework (2013)*, management concluded that Seaboard's internal control over financial reporting was effective as of December 31, 2018.

Seaboard's independent registered public accounting firm that audited the consolidated financial statements included in the annual report, has issued an audit report on the effectiveness of Seaboard's internal control over financial reporting. Their report is included herein.

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Report of Independent Registered Public Accounting Firm

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Seaboard Corporation:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Seaboard Corporation and subsidiaries (the Company) as of December 31, 2018 and 2017, the related consolidated statements of comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2018, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2018, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 20, 2019 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

KPMG LLP

We have served as the Company's auditor since 1959.

Kansas City, Missouri
February 20, 2019

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SEABOARD CORPORATION
Report of Independent Registered Public Accounting Firm

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Seaboard Corporation:

Opinion on Internal Control Over Financial Reporting
We have audited Seaboard Corporation and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2018 and 2017, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2018, and related notes (collectively, the consolidated financial statements), and our report dated February 20, 2019 expressed an unqualified opinion on those consolidated financial statements.

The Company acquired Groupe Mimran during 2018, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2018, Groupe Mimran's internal control over financial reporting associated with total assets of $447 million, or 8% of the Company's consolidated assets, and total revenues of $247 million, or 4% of the Company's consolidated revenue, included in the consolidated financial statements of the Company as of and for the year ended December 31, 2018. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Groupe Mimran.

Basis for Opinion
The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying "Management's Report on Internal Control over Financial Reporting." Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting
A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

KPMG LLP

Kansas City, Missouri
February 20, 2019

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SEABOARD CORPORATION
Consolidated Statements of Comprehensiv e Income

(Millions of dollars except share and per share amounts)	Years ended December 31, 2018	2017	2016
Net sales:			
Products (includes sales to affiliates of $1,282, $1,123 and $993)	$ 5,334	$ 4,693	$ 4,334
Services revenues (includes sales to affiliates of $12, $7 and $8)	1,116	1,009	961
Other	133	107	84
Total net sales	6,583	5,809	5,379
Cost of sales and operating expenses:			
Products	4,990	4,298	3,992
Services	971	879	822
Other	99	83	68
Total cost of sales and operating expenses	6,060	5,260	4,882
Gross income	523	549	497
Selling, general and administrative expenses	314	309	267
Operating income	209	240	230
Other income (expense):			
Interest expense	(44)	(29)	(29)
Interest income	11	15	15
Interest income from affiliates	3	22	24
Income (loss) from affiliates	(44)	(7)	81
Other investment income (loss), net	(152)	177	69
Foreign currency gains, net	4	14	2
Miscellaneous, net	(3)	(5)	(8)
Total other income (loss), net	(225)	187	154
Earnings (loss) before income taxes	(16)	427	384
Income tax expense	(1)	(181)	(70)
Net earnings (loss)	$ (17)	$ 246	$ 314
Less: Net loss (income) attributable to noncontrolling interests	—	1	(2)
Net earnings (loss) attributable to Seaboard	$ (17)	$ 247	$ 312
Earnings (loss) per common share	$ (14.61)	$ 211.01	$ 266.50
Other comprehensive income (loss), net of income tax benefit (expense) of $(2), $3 and $12:			
Foreign currency translation adjustment	(53)	(6)	(26)
Unrealized gain on investments	—	5	1
Unrecognized pension cost	3	(4)	(1)
Other comprehensive loss, net of tax	$ (50)	$ (5)	$ (26)
Comprehensive income (loss)	(67)	241	288
Less: Comprehensive loss (income) attributable to noncontrolling interests	1	1	(2)
Comprehensive income (loss) attributable to Seaboard	$ (66)	$ 242	$ 286
Average number of shares outstanding	1,170,501	1,170,550	1,170,550
Dividends declared per common share	$ 6.00	$ 6.00	$ —

See accompanying notes to consolidated financial statements.

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SEABOARD CORPORATION
Consolidated Balance Sheet s

(Millions of dollars except share and per share amounts)	December 31, 2018	2017
Assets		
Current assets:		
Cash and cash equivalents	$ 194	$ 116
Short-term investments	1,336	1,576
Receivables:		
Trade	392	299
Due from affiliates	111	120
Other	81	92
Total receivables	584	511
Allowance for doubtful accounts	(33)	(29)
Net receivables	551	482
Inventories	815	780
Prepaid expenses	55	94
Other current assets	76	80
Total current assets	3,027	3,128
Net property, plant and equipment	1,160	1,077
Investments in and advances to affiliates	804	851
Goodwill	167	22
Other intangible assets, net	69	2
Other non-current assets	80	81
Total assets	$ 5,307	$ 5,161
Liabilities and Stockholders' Equity		
Current liabilities:		
Notes payable to banks	$ 148	$ 162
Current maturities of long-term debt	39	53
Accounts payable	218	256
Payables due to affiliates	20	16
Accrued compensation and benefits	123	118
Deferred revenue	39	47
Deferred revenue from affiliates	31	34
Accrued voyage costs	58	35
Other current liabilities	108	97
Total current liabilities	784	818
Long-term debt, less current maturities	739	482
Accrued pension liability	136	128
Deferred income taxes	127	112
Long-term income tax liability	73	111
Other liabilities and deferred credits	119	102
Total non-current liabilities	1,194	935
Commitments and contingent liabilities		
Stockholders' equity:		
Common stock of $1 par value. Authorized 1,250,000 shares; issued and outstanding 1,169,217 shares in 2018 and 1,170,550 shares in 2017	1	1
Accumulated other comprehensive loss	(410)	(354)
Retained earnings	3,727	3,750
Total Seaboard stockholders' equity	3,318	3,397
Noncontrolling interests	11	11
Total equity	3,329	3,408
Total liabilities and stockholders' equity	$ 5,307	$ 5,161

See accompanying notes to consolidated financial statements.

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SEABOARD CORPORATION

Consolidated Statements of Cash Flow s

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Cash flows from operating activities:			
Net earnings (loss)	$ (17)	$ 246	$ 314
Adjustments to reconcile net earnings (loss) to cash from operating activities:			
Depreciation and amortization	134	118	102
Deferred income taxes	(20)	39	47
Mandatory deemed repatriation tax	14	112	—
Reserve on notes receivable from affiliates	—	—	16
Loss (income) from affiliates	44	7	(81)
Dividends received from affiliates	23	24	53
Other investment loss (income), net	152	(177)	(69)
Other, net	5	(9)	9
Changes in assets and liabilities, net of acquisitions:			
Receivables, net of allowance	(58)	(12)	18
Inventories	(34)	(21)	6
Prepaid expenses	31	(51)	(4)
Other current assets	11	(14)	12
Current liabilities, exclusive of debt	(22)	(25)	23
Other, net	(25)	8	(19)
Net cash from operating activities	238	245	427
Cash flows from investing activities:			
Purchase of short-term investments	(1,130)	(767)	(691)
Proceeds from sale of short-term investments	1,191	606	710
Proceeds from maturity of short-term investments	53	59	34
Capital expenditures	(162)	(173)	(158)
Proceeds from sale of fixed assets	5	5	47
Acquisition of businesses	(264)	(54)	(219)
Investments in and advances to affiliates, net	(26)	(87)	(71)
Notes receivable issued to affiliates	—	(2)	(13)
Principal payments received on notes receivable from affiliates	4	167	12
Purchase of long-term investments	(21)	(12)	(31)
Other, net	1	(8)	6
Net cash from investing activities	(349)	(266)	(374)
Cash flows from financing activities:			
Notes payable to banks, net	—	45	(25)
Proceeds from long-term debt	251	38	3
Principal payments of long-term debt	(46)	(17)	(5)
Repurchase of common stock	(5)	—	—
Dividends paid	(7)	(7)	—
Other, net	(3)	(1)	—
Net cash from financing activities	190	58	(27)
Effect of exchange rate changes on cash and cash equivalents	(1)	2	1
Net change in cash and cash equivalents	78	39	27
Cash and cash equivalents at beginning of year	116	77	50
Cash and cash equivalents at end of year	$ 194	$ 116	$ 77

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SEABOARD CORPORATION
Consolidated Statements of Changes in Equit y

(Millions of dollars)	Common Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Noncontrolling Interests	Total
Balances, January 1, 2016	$ 1	$ (278)	$ 3,153	$ 6	$ 2,882
Comprehensive income:					
Net earnings	—	—	312	2	314
Other comprehensive loss, net of tax	—	(26)	—	—	(26)
Addition to noncontrolling interests	—	—	—	5	5
Balances, December 31, 2016	1	(304)	3,465	13	3,175
Adoption of accounting guidance (see Note 11)	—	(45)	45	—	—
Comprehensive income:					
Net earnings (loss)	—	—	247	(1)	246
Other comprehensive loss, net of tax	—	(5)	—	—	(5)
Reduction to noncontrolling interests	—	—	—	(1)	(1)
Dividends on common stock, $6.00/share	—	—	(7)	—	(7)
Balances, December 31, 2017	1	(354)	3,750	11	3,408
Adoption of accounting guidance (See Note 1)	—	(7)	7	—	—
Comprehensive loss:					
Net loss	—	—	(17)	—	(17)
Other comprehensive loss, net of tax	—	(49)	—	(1)	(50)
Repurchase of common stock	—	—	(5)	—	(5)
Additions to noncontrolling interests	—	—	—	4	4
Reduction to noncontrolling interests	—	—	(1)	(3)	(4)
Dividends on common stock, $6.00/share	—	—	(7)	—	(7)
Balances, December 31, 2018	$ 1	$ (410)	$ 3,727	$ 11	$ 3,329

See accompanying notes to consolidated financial statements.

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Note 1 - Summary of Significant Accounting Policies

Operations of Seaboard Corporation and its Subsidiaries

Seaboard Corporation and its subsidiaries ("Seaboard") together comprise a diverse global agribusiness and transportation company. In the United States ("U.S."), Seaboard is primarily engaged in hog production and pork processing and ocean transportation. Overseas, Seaboard is primarily engaged in commodity merchandising, grain processing, sugar and alcohol production and electric power generation. Seaboard also has an equity method investment in Butterball, LLC ("Butterball"), a producer and processor of branded and non-branded turkey products. Approximately 76% of the outstanding common stock of Seaboard is collectively owned by Seaboard Flour LLC and SFC Preferred, LLC.

Principles of Consolidation and Investments in Affiliates

The consolidated financial statements include the accounts of Seaboard Corporation and its domestic and foreign subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. Investments in non-controlled affiliates where we have significant influence are accounted for by the equity method. Financial information from certain foreign subsidiaries and affiliates is reported on a one- to three-month lag, depending on the specific entity. As Seaboard conducts its agricultural commodity trading business with third parties, consolidated subsidiaries and affiliates on an interrelated basis, cost of sales on affiliates cannot be clearly distinguished without making numerous assumptions, primarily with respect to mark-to-market accounting for commodity derivatives.

Short-Term Investments

Short-term investments are retained for future use in the business. Investments held by Seaboard that are categorized as trading securities are reported at their estimated fair value with any unrealized gains and losses included in other investment income (loss), net in the consolidated statements of comprehensive income. Purchases and sales are recorded on a settlement date basis. Gains and losses on sales of investments are generally based on the specific identification method.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and generally do not bear interest. The Power segment, however, collects interest on certain past due accounts, and the Commodity Trading and Milling ("CT&M") segment provides extended payment terms for certain customers in certain countries due to local market conditions. The allowance for doubtful accounts is Seaboard's best estimate of the amount of probable credit losses. For most operating segments, Seaboard uses a specific identification approach to determine, in management's judgment, the collection value of certain past due accounts based on contractual terms. For the Marine segment, the allowance for doubtful accounts is based on an aging percentage methodology primarily based on historical write-off experience. Seaboard reviews its allowance for doubtful accounts monthly. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

(Millions of dollars)	Balance at beginning of year	Provision[1]	Net deductions[2]	Balance at end of year
Allowance for Doubtful Accounts:				
Year Ended December 31, 2018	$ 29	7	(3)	$ 33
Year Ended December 31, 2017	$ 14	16	(1)	$ 29
Year Ended December 31, 2016	$ 21	(1)	(6)	$ 14

[1] During 2018, $7 million of the provision was charged to selling, general and administrative expenses. During 2017, $12 million of the provision was charged to selling, general and administrative expenses, $2 million to income from affiliates related to reserves on convertible notes and $2 million to cost of sales related to a rebate reserve.

[2] Includes write-offs net of recoveries and foreign currency translation adjustments.

Inventories

Seaboard uses the lower of last-in, first-out ("LIFO") cost or market for determining inventory cost of hogs, fresh pork products and related materials. Grain, flour and feed inventories at foreign milling operations are valued at the lower of weighted average cost and net realizable value. All other inventories are valued at the lower of first-in, first-out ("FIFO") cost and net realizable value.

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Property, Plant and Equipment

Property, plant and equipment are carried at cost and are being depreciated on the straight-line method over useful lives, ranging from 3 to 30 years. Routine and planned major maintenance, repairs and minor renewals are expensed as incurred, while major renewals and improvements are capitalized. Property, plant and equipment and other long-lived assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are determined to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Notes Receivable

Seaboard monitors the credit quality of notes receivable, the majority of which are from its affiliates. For notes receivable from affiliates, Seaboard obtains and reviews financial information on a monthly basis and Seaboard representatives serve on their Board of Directors. If it is indicated based on current information and events it is probable that Seaboard will be unable to collect all amounts due according to the contractual terms of the notes receivable and an amount can be reasonably estimated, Seaboard reduces the notes receivable to estimated realizable value.

(Millions of dollars)	Balance at beginning of year	Provision	Net deductions	Balance at end of year
Allowance for Notes Receivable:				
Year Ended December 31, 2018	$ 16	1	—	$ 17
Year Ended December 31, 2017	$ 16	—	—	$ 16
Year Ended December 31, 2016	$ —	16	—	$ 16

Goodwill and Other Intangible Assets

Goodwill is assessed annually for impairment by each reporting unit at the quarter end closest to the anniversary date of the acquisition, or more frequently if circumstances indicate that impairment is likely. If qualitative factors indicate more likely than not an impairment is possible, Seaboard performs its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and would recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. Based on the annual assessment conducted by these reporting units, there were no impairment charges recorded for the year ended December 31, 2018. Any one event or a combination of events such as change in the business climate, a negative change in relationships with significant customers and changes to strategic decisions, including decisions to expand made in response to economic or competitive conditions, could require an interim assessment prior to the next required annual assessment.

The changes in the carrying amount of goodwill were as follows:

(Millions of dollars)	Pork Segment	CT&M Segment	Total
Balance as of December 31, 2016	$ 18	$ 1	$ 19
Acquisition	—	3	3
Balance as of December 31, 2017	18	4	22
Acquisition	—	148	148
Foreign currency translation	—	(3)	(3)
Balance as of December 31, 2018	$ 18	$ 149	$ 167

Separable intangible assets with finite lives are amortized over their estimated useful lives. As of December 31, 2018, intangible assets were $69 million, net of accumulated amortization of $6 million and foreign currency translation of $3 million. The intangibles were as a result of a 2018 acquisition; there were no material intangible assets as of December 31, 2017. Amortization of intangible assets was $6 million for the year ended December 31, 2018. Using the exchange rates in effect at year-end, estimated amortization of intangible assets as of December 31, 2018 was as follows: $9 million in 2019, $9 million in 2020, $9 million in 2021, $9 million in 2022, $9 million in 2023 and $24 million thereafter.

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Accrued Self-Insurance

Seaboard is self-insured for certain levels of workers' compensation, health care coverage, property damage, vehicle, product recall and general liability. The cost of these self-insurance programs is accrued based upon estimated settlements for known and anticipated claims. Changes in estimates to previously recorded reserves are reflected in current operating results.

Asset Retirement Obligation

Seaboard has recorded long-lived assets and a related liability for the asset retirement obligation costs associated with the closure of the hog lagoons it is legally obligated to close in the future should Seaboard cease operations or plan to close such lagoons voluntarily in accordance with a changed operating plan. Based on detailed assessments and appraisals obtained to estimate the future asset retirement obligation costs, Seaboard recorded the present value of the projected costs in non-current other liabilities in the consolidated balance sheets with the retirement asset depreciated over the economic life of the related asset. The following table shows the changes in the asset retirement obligation:

(Millions of dollars)	Years ended December 31, 2018	2017
Beginning balance	$ 22	$ 19
Accretion expense	1	2
Liability for additional lagoons placed in service	—	1
Ending balance	$ 23	$ 22

Income Taxes

Deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities.

Revenue Recognition

Seaboard recognizes revenue when control of the promised goods or services is transferred to its customers, in an amount that reflects the consideration it expects to receive in exchange for those goods or services. A performance obligation, the unit of account in Topic 606 *Revenue from Contracts with Customers* ("Topic 606"), is a promise in a contract to transfer a distinct good or service to the customer. The majority of Seaboard's revenue arrangements consist of a single performance obligation as the promise to transfer the individual product or service is not separately identifiable from other promises in the contracts, including shipping and handling and customary storage, and, therefore, not distinct. Seaboard's transaction prices are mostly fixed, but occasionally include minimal variable consideration for early payment, volume and other similar discounts, which are highly probable based on the history with the respective customers. Taxes assessed by a governmental authority that are collected by Seaboard from a customer are excluded from sales. See Note 12 for further revenue recognition details.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") 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 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, potential write down related to investments in and advances to affiliates and notes receivable from affiliates, income taxes and accrued pension liability. Actual results could differ from those estimates.

Earnings Per Common Share

Earnings per common share are based upon the weighted average shares outstanding during the period. Basic and diluted earnings per share are the same for all periods presented.

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Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, management considers all demand deposits, overnight investments and other investments with original maturities less than three months as cash equivalents. The following table shows the cash paid for interest and income taxes:

	Years ended December 31,		
(Millions of dollars)	2018	2017	2016
Interest, net of interest capitalized	$ 43	$ 30	$ 29
Income taxes, net of refunds	35	32	31

Supplemental Non-Cash Transactions

In conjunction with the January 2018 acquisition discussed further in Note 2, Seaboard incurred debt consisting of a $46 million note payable and contingent consideration with an estimated fair value of $14 million at the time of acquisition.

On October 28, 2016, Seaboard obtained control of Belarina Alimentos S.A., a flour production business in Brazil ("Belarina"). No cash or other consideration was transferred to the other shareholder whose ownership was diluted through revision of the shareholders agreement to restructure the affiliate debt and equity of Belarina. See Note 2 for the purchase price allocation table and other details.

Foreign Currency Transactions and Translation

Seaboard has operations in several foreign countries, and the currencies of the countries fluctuate in relation to the U.S. dollar. Certain of the major contracts and transactions, however, are denominated in U.S. dollars. In addition, the value of the U.S. dollar fluctuates in relation to the currencies of countries where certain of Seaboard's foreign subsidiaries and affiliates primarily conduct business. These fluctuations result in exchange gains and losses. The activities of these foreign subsidiaries and affiliates are primarily conducted with U.S. subsidiaries or operate in hyper-inflationary environments. As a result, the financial statements of certain foreign subsidiaries and affiliates are re-measured using the U.S. dollar as the functional currency.

Certain CT&M segment consolidated subsidiaries located in Brazil, Canada, Guyana, Ivory Coast, Senegal and Zambia use local currency as their functional currency. Also, certain non-controlled, non-consolidated affiliates of the CT&M and Sugar and Alcohol segments use local currency as their functional currency. Assets and liabilities of these subsidiaries are translated to United States dollars at year-end exchange rates, and income and expenses are translated at average rates. Translation gains and losses are recorded as components of other comprehensive income (loss). For the consolidated subsidiaries and non-consolidated affiliates, U.S. dollar denominated net asset or liability conversions to the local currency are recorded through income.

GAAP requires the use of highly inflationary accounting for countries whose cumulative three-year inflation exceeds 100%. In the second quarter of 2018, the Argentine peso rapidly devalued relative to the U.S. dollar, which along with increased inflation, indicated that the three-year cumulative inflation in that country exceeded 100%. As a result, Seaboard adopted highly inflationary accounting as of July 1, 2018, for Seaboard's Sugar and Alcohol segment. Under highly inflationary accounting, the Sugar and Alcohol segment's functional currency became the U.S. dollar, and its income statement and balance sheet were measured in U.S. dollars using both current and historical rates of exchange. The effect of changes in exchange rates on peso-denominated monetary assets and liabilities are reflected in foreign currency gains (losses), net. For the year ended December 31, 2018, Seaboard recognized $9 million in foreign currency gains related to the adoption of highly inflationary accounting as a result of its net monetary liability position.

Derivative Instruments and Hedging Activities

Seaboard recognizes all derivatives as either assets or liabilities at their fair values. Accounting for changes in the fair value of a derivative depends on its designation and effectiveness. Derivatives qualify for treatment as hedges for accounting purposes when there is a high correlation between the change in fair value of the instrument and the related change in value of the underlying commitment. Additionally, in order to designate a derivative financial instrument as a hedge for accounting purposes, extensive record keeping is required. For derivatives that qualify as hedges for accounting purposes, the change in fair value has no net impact on earnings, to the extent the derivative is considered effective, until the hedged transaction affects earnings. For derivatives that are not designated as hedging instruments for accounting purposes, or for the ineffective portion of a hedging instrument, the change in fair value affects current period net earnings.

Seaboard uses derivative instruments to manage various types of market risks, including primarily commodity futures and option contracts, foreign currency exchange agreements, interest rate exchange agreements and equity future contracts.

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While management believes each of these instruments are primarily entered into in order to effectively manage various market risks, as of December 31, 2018, none of the derivatives were designated and accounted for as hedges, primarily as a result of the extensive record-keeping requirements. From time to time, Seaboard also enters into speculative derivative transactions not directly related to its raw materials requirements.

Recently Issued Accounting Standards Adopted

On January 1, 2018, Seaboard adopted guidance that developed a single, comprehensive revenue recognition model for all contracts with customers using the cumulative effect transition method. The adjustment to opening retained earnings, which only included the impact of contracts that were not completed at the date of adoption, was less than $1 million. All of Seaboard's equity method investments must adopt the new standard by December 31, 2019. See Note 12 for additional details on the impact of adopting this new accounting standard.

On January 1, 2018, Seaboard adopted guidance that requires the service cost component of net periodic benefit cost to be presented in the same income statement line item as other employee compensation costs arising from services rendered during the period. Only the service cost component is eligible for capitalization in inventory. The other components of net periodic benefit cost are presented outside of operating income and are not capitalizable. For the years ended December 31, 2017 and 2016, $8 million of net periodic benefit cost was reclassified from selling, general and administrative expenses to miscellaneous, net below operating income. Seaboard elected to apply the practical expedient to estimate amounts for comparative periods.

On January 1, 2018, Seaboard adopted guidance that eliminated cost method accounting and requires measuring equity investments, other than those accounted for using the equity method of accounting, at fair value and recognizing fair value changes in net income if a readily determinable fair value exists. On January 1, 2018, $7 million of accumulated other comprehensive loss was reclassified to retained earnings by means of a cumulative effect adjustment, and all future gains/losses on these equity investments is reflected in other investment income (loss), net. As of January 1, 2018, Seaboard had minimal investments without readily determinable fair values, which will be recorded at cost, less impairment, and plus or minus subsequent adjustments for observable price changes.

Recently Issued Accounting Standard Not Yet Adopted

In February 2016, the Financial Accounting Standards Board ("FASB") issued guidance that a lessee should record a right-of-use ("ROU") asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are to be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The recognition, measurement, and presentation of expenses and cash flows arising from a financing lease have not significantly changed from the previous guidance. For operating leases, a lessee is required to: (1) recognize a ROU asset and a lease liability, initially measured at the present value of the lease payments, in the balance sheet, (2) recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term on a generally straight-line basis; and (3) classify all cash payments within operating activities in the statement of cash flows. Seaboard will adopt this guidance on January 1, 2019, for all consolidated subsidiaries and plans to apply most practical expedients and the optional transition relief issued in July 2018 that permits the recognition and measurement of leases at the date of adoption. Therefore, Seaboard will not restate comparative period financial information for the effects of this accounting standard. While Seaboard continues its process of assessing its leases and evaluating the effects this guidance will have on its consolidated financial statements, Seaboard expects the adoption will increase its assets approximately $460 million and its liabilities approximately $500 million for operating lease ROU assets and liabilities. Seaboard believes the most significant effects will relate to the recognition of new ROU assets and lease liabilities on its balance sheet for port and contract grower operating leases. Seaboard is in the process of implementing a new lease accounting system and evaluating its processes and internal controls. See Note 8 for information about Seaboard's lease obligations.

Note 2 - Acquisitions

On January 5, 2018, Seaboard's CT&M segment acquired substantially all of the outstanding common shares of Borisniak Corp., Les Grands Moulins d'Abidjan, Les Grands Moulins de Dakar, Eurafrique, and Societe Mediterraneenne de Transport, collectively operating as Groupe Mimran ("Mimran"). Mimran operates three flour mills and an associated grain trading business located in Senegal, Ivory Coast and Monaco. This acquisition increased Seaboard's flour and feed milling capacity and annual grain trading volume.

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The total purchase price for this acquisition based on the acquisition date fair values and using the exchange rate in effect at the time of acquisition, was $324 million consisting of:

(Millions of dollars)		Fair Value
Cash payment, net of $64 million of cash acquired	$	264
Euro-denominated note payable due 2021, 3.25% interest		46
Contingent consideration		14
Total fair value of consideration at acquisition date	$	324

See Note 7 for further description of the note payable. The fair value of the contingent consideration, classified in other non-current liabilities in the consolidated balance sheet, is dependent on the probability of Mimran 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, at the discretion of the sellers.

In the fourth quarter of 2018, Seaboard finalized its preliminary purchase price allocation. As a result of third-party valuations of tangible and intangible assets, property, plant and equipment increased $34 million, intangible assets decreased $22 million and goodwill decreased $13 million. Depreciation and amortization expense were not materially impacted by the change.

The final purchase was recorded at fair value and allocated as follows:

(Millions of dollars)		Fair Value
Current assets	$	83
Property, plant and equipment		91
Intangible assets		78
Goodwill		148
Other long-term assets		4
Total fair value of assets acquired		404
Current liabilities		(38)
Other long-term liabilities		(38)
Total fair value of liabilities assumed		(76)
Less: Noncontrolling interest		(4)
Net fair value of assets acquired	$	324

The intangible assets include $28 million allocated to trade names, amortizable over 9 years, and $50 million allocated to customer relationships, amortizable over 9 years. Goodwill represents Mimran's market presence and its experienced workforce. The intangible assets and goodwill are not deductible for income tax purposes.

Certain Mimran entities acquired are accounted for on a three-month lag and use local currency as their functional currency. Translation gains and losses are recorded as components of other comprehensive income (loss). For the year ended December 31, 2018, net sales of $247 million and net earnings of $17 million were recognized in Seaboard's consolidated financial statements from the date of acquisition. Acquisition costs, incurred primarily in 2017, of $2 million were expensed in selling, general and administrative expenses.

The following unaudited pro forma information presents the combined consolidated financial results for Seaboard as if the acquisition had been completed at January 1, 2017:

(Unaudited) *(Millions of dollars except per share amounts)*	Year ended December 31, 2018		2017	
Net sales	$	6,643	$	6,095
Net earnings (loss)	$	(13)	$	272
Earnings (loss) per common share	$	(10.90)	$	233.45

On August 30, 2017, Seaboard's Pork segment acquired hog inventory and hog farms in the central U.S. from New Fashion Pork, LLP for total cash consideration of $40 million. This acquisition provides additional sows to further increase Seaboard's

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capacity to fulfill its hog supply commitment for processing at the Seaboard Triumph Foods, LLC ("STF") processing plant located in Sioux City, Iowa, which began operations in September 2017. See Note 6 for further information on STF.

The purchase was recorded at fair value in Seaboard's Pork segment, and the allocation of the purchase price is below. No material intangible assets were identified.

(Millions of dollars)		
Inventories	$	6
Property, plant and equipment		34
Total consideration transferred	$	40

Operating results have been included in Seaboard's consolidated financial statements from the date of acquisition. There was no material impact to Seaboard's sales and net earnings as a result of the purchase. Acquisition costs were less than $1 million.

During the first quarter of 2017, Seaboard's CT&M segment acquired a pulse and grain elevator business in Canada for total cash consideration of $14 million. This business, which complements an existing CT&M business in Canada, is expected to increase the trade volumes of pulses, which include commodities of beans, peas and lentils. The purchase was recorded at fair value with $11 million allocated to property, plant and equipment and $3 million allocated to goodwill. Goodwill represents the assembled workforce, cost savings of buying rather than developing a greenfield operation and the close proximity of this elevator to the producers in the region. The goodwill is deductible for income tax purposes. Operating results have been included in Seaboard's consolidated financial statements from the date of acquisition. Acquisition costs were less than $1 million.

On September 1, 2016, Seaboard's Pork segment acquired certain assets of Texas Farm, LLC for total cash consideration of $59 million. Texas Farm, LLC was a hog growing operation with hog inventory, hog farms and a feed mill located in Texas. The additional hog production allows Seaboard to expand and realign its hog production in other states to supply its Oklahoma pork processing plant and the STF pork processing plant in Iowa.

The purchase was recorded at fair value in Seaboard's Pork segment, and the allocation of the purchase price is below. Goodwill is primarily attributable to workforce and the benefits of acquiring an existing operation rather than incurring the costs and time to begin a new hog operation.

(Millions of dollars)		
Inventories	$	16
Property, plant and equipment		42
Goodwill		3
Accounts payable		(2)
Total consideration transferred	$	59

Operating results have been included in Seaboard's consolidated financial statements from the date of acquisition. Net sales of $4 million and a $2 million net loss were recognized during 2016. Acquisition costs were less than $1 million.

On February 7, 2016, Seaboard's Pork segment acquired hog inventory, a feed mill, truck washes and certain hog farms in the central U.S. from Christensen Farms & Feedlots, Inc. and Christensen Farms Midwest, LLC ("Christensen Farms") for total cash consideration of $148 million. Seaboard had previously agreed to provide a portion of the hogs to be processed at the STF pork processing plant.

The purchase was recorded at fair value in Seaboard's Pork segment, and the allocation of the purchase price is below. Intangible assets include customer relationships that have a weighted-average useful life of 1.6 years. Goodwill represents the farms' established processes, workforce and close proximity to the Sioux City, Iowa, processing plant.

(Millions of dollars)		
Inventories	$	33
Property, plant and equipment		111
Intangible assets		1
Goodwill		3
Total consideration transferred	$	148

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Operating results have been included in Seaboard's consolidated financial statements from the date of acquisition. Net sales of $119 million and a $5 million net loss were recognized during 2016. Acquisition costs were less than $1 million.

During the last half of 2016, Seaboard's Pork segment acquired additional hog inventory and sow farms through three additional acquisitions for total cash consideration of $12 million. The purchases were recorded at fair value, and $1 million and $11 million were allocated to inventories and property, plant and equipment, respectively. No material intangible assets were identified, and acquisition costs were less than $1 million. With these purchases, Seaboard increased its sow herd to meet the majority of its hog supply commitment for single-shift processing at the STF plant.

On October 28, 2016, Seaboard's CT&M segment increased its ownership percentage from 50% to 98% to obtain control of Belarina Alimentos S.A., a flour production business in Brazil ("Belarina"). No cash or other consideration was transferred to the other shareholder whose ownership was diluted through revision of the shareholders agreement to restructure the affiliate debt and equity of Belarina. Seaboard accounted for the transaction as a business combination achieved in stages and included the financial results of Belarina in its consolidated financial statements since the date of acquisition. See Note 6 for a discussion of the previous equity method of accounting for Belarina. As Belarina is recorded on a three-month lag, there was no impact to Seaboard's sales and net earnings for the year ended December 31, 2016, as a result of the consolidation. Since no consideration was transferred to the other owner, Seaboard substituted the acquisition-date fair value of its 50% pre-existing interest in Belarina and the acquisition-date fair value of its pre-existing affiliate trade and note receivable for the acquisition-date fair value of the consideration transferred to measure goodwill.

The following table summarizes the purchase price allocation resulting from this consolidation:

(Millions of dollars)		
Accounts receivable	$	7
Inventories		6
Property, plant and equipment		25
Other assets		4
Goodwill		1
Third-party debt		(14)
Other liabilities		(11)
Total business valuation	$	18
Fair value of pre-existing interest	$	18

The valuation of the noncontrolling interest was immaterial. Goodwill primarily represents the assembled workforce. Seaboard recorded a gain of $4 million in bad debt expense within selling, general and administrative expenses in the consolidated statement of comprehensive income, related to recognizing the fair value of its pre-existing affiliate receivables. During the fourth quarter of 2018, Seaboard acquired the remaining 2% for minimal consideration.

Note 3 - Investments

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

	December 31,			
	2018		2017	
(Millions of dollars)	Fair Value		Fair Value	
Domestic equity securities	$	632	$	752
Domestic debt securities		268		439
Foreign equity securities		218		319
Money market funds held in trading accounts		146		10
Collateralized loan obligations		28		29
High yield securities		19		21
Foreign debt securities		16		—
Term deposits		9		—
Other trading securities		—		6
Total trading short-term investments	$	1,336	$	1,576

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The change in unrealized gains (losses) related to trading securities still held at the end of the respective reporting period was $(110) million, $146 million and $49 million for the years ended December 31, 2018, 2017 and 2016, respectively.

Seaboard had $66 million of equity securities denominated in foreign currencies as of December 31, 2018, with $25 million in euros, $20 million in Japanese yen, $9 million in the British pound, $3 million in the Swiss franc and the remaining $9 million in various other currencies. Seaboard had $114 million of equity securities denominated in foreign currencies as of December 31, 2017, with $48 million in euros, $25 million in Japanese yen, $20 million in the British pound, $6 million in the Swiss franc and the remaining $15 million in various other currencies. Also, money market funds included $10 million and less than $1 million denominated in various foreign currencies as of December 31, 2018 and 2017, respectively. Term deposits are denominated in the West African franc.

In addition to its short-term investments, Seaboard also has trading securities related to Seaboard's deferred compensation plans classified in other current assets in the consolidated balance sheets. See Note 10 for information on the types of trading securities held related to the deferred compensation plans. See Note 9 for a discussion of assets held in conjunction with investments related to Seaboard's defined benefit pension plan.

Note 4 - Inventories

The following table is a summary of inventories at the end of each year:

(Millions of dollars)	December 31, 2018	December 31, 2017
At lower of LIFO cost or market:		
Hogs and materials	$ 361	$ 313
Fresh pork and materials	36	28
LIFO adjustment	(58)	(31)
Total inventories at lower of LIFO cost or market	339	310
At lower of FIFO cost and net realizable value:		
Grains, oilseeds and other commodities	229	253
Sugar produced and in process	17	38
Other	81	90
Total inventories at lower of FIFO cost and net realizable value	327	381
Grain, flour and feed at lower of weighted average cost and net realizable value	149	89
Total inventories	$ 815	$ 780

The use of the LIFO method for certain inventories of the Pork segment decreased net earnings $20 million ($16.87 per common share) and $6 million ($5.40 per common share) for the years ended December 31, 2018 and 2017, respectively. Net earnings increased $5 million ($3.92 per common share) for the year ended December 31, 2016. If the FIFO method had been used for all inventories of the Pork segment, inventories would have been higher $58 million and $31 million as of December 31, 2018 and 2017, respectively. The LIFO valuation reserve activity for 2018, 2017 and 2016 is as follows:

(Millions of dollars)	Balance at beginning of year	Increase (decrease)	Balance at end of year
Reserve for LIFO Valuation:			
Year Ended December 31, 2018	$ 31	27	$ 58
Year Ended December 31, 2017	$ 21	10	$ 31
Year Ended December 31, 2016	$ 28	(7)	$ 21

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Note 5 - Net Property, Plant and Equipment

The following table is a summary of property, plant and equipment at the end of each year:

(Millions of dollars)	Useful Lives	December 31, 2018	2017
Land and improvements	3 - 15 years	$ 238	$ 224
Buildings and improvements	30 years	591	525
Machinery and equipment	3 - 20 years	1,298	1,253
Vessels and vehicles	3 - 18 years	147	136
Office furniture and fixtures	5 years	36	34
Construction in progress		96	56
		2,406	2,228
Accumulated depreciation and amortization		(1,246)	(1,151)
Net property, plant and equipment		$ 1,160	$ 1,077

Note 6 - Investments in and Advances to Affiliates and Notes Receivable from Affiliates

Seaboard has several investments in and advances to non-controlled, non-consolidated affiliates that are all accounted for using the equity method of accounting. Financial information from certain foreign affiliates is reported on a one- to three-month lag, depending on the specific entity.

Pork Segment *(Millions of dollars)*	December 31, 2018	2017	2016
Net sales	$ 927	$ 441	$ 319
Net income (loss)	$ (60)	$ (21)	$ 22
Total assets	$ 623	$ 596	$ 364
Total liabilities	$ 243	$ 138	$ 14
Total equity	$ 380	$ 458	$ 350

The Pork segment has a 50% noncontrolling interest in Daily's Premium Meats, LLC ("Daily's") and STF. Daily's produces and markets raw and pre-cooked bacon. STF operates a new pork processing plant, which began operations in September 2017. Combined condensed financial information of these entities for each of Seaboard's years ended is included in the table above.

Seaboard and Triumph Foods, LLC ("Triumph") formed STF in May 2015 with equal ownership of 50%. In connection with the development and operation of the plant, Seaboard contributed $73 million and $51 million during 2017 and 2016, respectively. Also, Seaboard agreed to provide a portion of the hogs to be processed at the plant. The Pork segment currently has a business relationship with Triumph under which Seaboard markets substantially all of the pork products produced at Triumph's plant in Missouri and STF's plant in Iowa. In addition to supplying raw materials and providing marketing services to these affiliates, the Pork segment also transferred fixed assets and other costs totaling $14 million in 2017 related to an enterprise resource planning system that is used by Seaboard, Triumph, Daily's and STF.

Commodity Trading and Milling Segment *(Millions of dollars)*	December 31, 2018	2017	2016
Net sales	$ 3,238	$ 2,907	$ 2,871
Net income (loss)	$ (13)	$ 23	$ (6)
Total assets	$ 1,914	$ 1,793	$ 1,201
Total liabilities	$ 1,242	$ 1,150	$ 734
Total equity	$ 672	$ 643	$ 467

The CT&M segment has noncontrolling interests in foreign businesses conducting flour, maize and feed milling, baking operations, poultry production and processing, and agricultural commodity trading. Combined condensed financial information of these entities for each of Seaboard's years ended is included in the table above. As of December 31, 2018, the location and percentage ownership of CT&M's affiliates were as follows: Botswana (49%), Democratic Republic of Congo ("DRC") (50%), Gambia (50%), Kenya (46.64%-49%), Lesotho (50%), Mauritania (50%), Morocco (11.44%-17.08%), Nigeria (25%-48.33%), Senegal (49%), South Africa (30%-50%), Tanzania (49%) and Zambia (49%) in Africa; Colombia (40%-42%), Ecuador (25%-50%), Guyana (50%), and Peru (50%) in South America; Jamaica (50%) and Haiti

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(23.33%) in the Caribbean; Turkey (25%) in Europe; Australia (22.5%-25%); and Canada (45%) and the U.S. (40%) in North America. As of December 31, 2018, Seaboard's carrying value of certain of CT&M segment's investments in affiliates was more than its share of the affiliates' book value by $57 million. The excess is attributable primarily to the valuation of property, plant and equipment and intangible assets. The amortizable assets are being amortized to income (loss) from affiliates over the remaining life of the assets.

During 2018, Seaboard's CT&M segment acquired a 50% noncontrolling interest in a grain trading and flour milling business in Mauritania for total consideration of $16 million. The investment amount is subject to change dependent upon resolution of certain contingencies. The investment is accounted for using the equity method of accounting and reported on a three-month lag. Seaboard's first proportionate share of this affiliate's income (loss) was recognized in the second quarter of 2018.

During 2017, the CT&M segment invested an additional $7 million in a grain trading and poultry business in Morocco. This investment increased Seaboard's ownership interest in that business to 19.4% and, as a result, Seaboard changed its accounting method from the cost method to equity method effective on the date of the additional investment. This investment is reported on a three-month lag basis, and therefore Seaboard's first proportionate share of earnings from this investment was recognized in the third quarter of 2017.

The CT&M segment has a 50% noncontrolling interest in a bakery located in the DRC. Seaboard's investment balance is zero. As part of its original investment, Seaboard has an interest bearing long-term note receivable from this affiliate that had a principal and interest balance of approximately $8 million and $15 million, net of reserves, as of December 31, 2018 and 2017, respectively, all classified as long-term in other non-current assets given uncertainty of the timing of payments in the future. The note receivable, $32 million excluding accrued interest, is 50% guaranteed by the other shareholder in the entity. Based on continued operating losses and revised cash flow forecasts, Seaboard reserved $16 million in bad debt expense within selling, general and administrative expenses in the consolidated statement of comprehensive income for the year ended December 31, 2016. There was no tax benefit from this transaction. Seaboard recorded this entity's current period losses of $7 million and $4 million against the note receivable for the year ended December 31, 2018 and 2017, respectively. In September 2017, Seaboard reached an agreement to amend the note to further extend the term and match payments to cash flow estimates. If the future long-term cash flows of this bakery do not improve, more of the recorded value of the note receivable from affiliate could be deemed uncollectible in the future, which could result in a further charge to earnings.

The CT&M segment had a 50% noncontrolling interest in Belarina, a flour production business in Brazil, which it accounted for using the equity method of accounting prior to October 28, 2016, the date Seaboard obtained 98% of the equity ownership and control of Belarina. Seaboard accounted for this transaction as a business combination achieved in stages as discussed further in Note 2 to the consolidated financial statements. As an equity method affiliate, Seaboard had contributed a total of $63 million in investments and advances and a $13 million long-term loan, including investment and advances and pay-in-kind interest accretion totaling $14 million for the year ended December 31, 2016. Seaboard recorded total losses from affiliate, which included reserves of $10 million related to this investment in 2016, and currency translation adjustment losses included in other comprehensive income (loss) of $(4) million. Due to the extent of losses, Seaboard had previously fully reserved all advances and long-term receivable, and as such, Seaboard's investment, advances and long-term note receivable were zero. Seaboard also had a gross trade receivable due from Belarina related to sales of grain and supplies. The net trade receivable balance was effectively settled as the entity is now consolidated.

During 2016, the CT&M segment provided a $12 million loan to a Peruvian affiliate. The Peruvian affiliate repaid the loan later that same year.

Marine Segment	December 31,		
(Millions of dollars)	2018	2017	2016
Net sales	$ 66	$ 58	$ 47
Net income	$ 11	$ 5	$ 7
Total assets	$ 272	$ 229	$ 277
Total liabilities	$ 133	$ 114	$ 109
Total equity	$ 139	$ 115	$ 168

The Marine segment has a 21% noncontrolling interest in a cargo terminal business in Jamaica and a 36% noncontrolling interest in a holding company that owns a Caribbean terminal operation. Combined condensed financial information of

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these entities for each of Seaboard's years ended is included in the table above. As of December 31, 2018, Seaboard's carrying value of certain of Marine segment's investments in affiliates was less than its share of the affiliates' book value by $26 million. The difference is attributable primarily to the valuation of property, plant and equipment and impairments taken by Seaboard, but not the respective entity. Both investments are reported on a three-month lag.

During 2016, the Marine segment invested $7 million of cash and converted an $8 million note receivable to equity in the Caribbean terminal operation. During 2017, the holding company's terminal operations encountered the loss of a customer and defaulted on certain third-party debt obligations. In addition, third-party engineering studies identified significant unexpected construction modifications needed for the terminal operation. As a result, Seaboard evaluated its investment in affiliate and receivables for impairment and recorded a $5 million charge on its investment, a $1 million charge on its convertible note receivable and a $3 million allowance on its affiliate receivables. The holding company is investigating various strategic alternatives, such as additional capital calls, refinancing of the third-party debt and restructuring of the affiliate equity and receivables, which includes the deferral of all affiliated receivable payments until such future time as cash flow is sufficient to pay all third-party debt. If future long-term cash flows do not improve, there is a possibility that there could be additional charges.

Sugar and Alcohol Segment	December 31,		
(Millions of dollars)	2018	2017	2016
Net sales	$ 5	$ 10	$ 10
Net income	$ 3	$ 2	$ 3
Total assets	$ 10	$ 10	$ 10
Total liabilities	$ 2	$ 2	$ 2
Total equity	$ 8	$ 8	$ 8

The Sugar and Alcohol segment has two noncontrolling interests in sugar-related businesses in Argentina (46% and 50%, respectively). Combined condensed financial information of these entities for each of Seaboard's years ended is included in the table above.

Power Segment	December 31,		
(Millions of dollars)	2018	2017	2016
Net sales	$ 138	$ 105	$ 146
Net income	$ 33	$ 23	$ 14
Total assets	$ 247	$ 265	$ 261
Total liabilities	$ 139	$ 145	$ 175
Total equity	$ 108	$ 120	$ 86

The Power segment has a 29.9% noncontrolling interest in an electricity generating facility and two smaller energy-related businesses (45% and 50%, respectively), all in the Dominican Republic. Combined condensed financial information of these entities for each of Seaboard's years ended is included in the table above. During 2018 and 2016, Seaboard received dividends of $18 million and $9 million, respectively, from the electricity generating facility.

Turkey Segment	December 31,		
(Millions of dollars)	2018	2017	2016
Net sales	$ 1,591	$ 1,670	$ 1,813
Operating income (loss)	$ (16)	$ 15	$ 162
Net income (loss)	$ (30)	$ (8)	$ 139
Total assets	$ 1,072	$ 999	$ 1,154
Total liabilities	$ 502	$ 400	$ 529
Total equity	$ 570	$ 599	$ 625

The Turkey segment represents Seaboard's 50% noncontrolling interest in Butterball, LLC ("Butterball"), a vertically integrated producer and processor of branded and non-branded turkey products. Butterball's condensed financial information for each of Seaboard's years ended is included in the table above. Within total assets, Butterball had trade name intangible assets of $111 million and goodwill of $74 million as of December 31, 2018. In 2017, Butterball closed its further processing plant in Montgomery, Illinois, resulting in charges primarily related to impaired fixed assets and accrued severance. Seaboard's proportionate share of these charges, recognized in income (loss) from affiliates, was $18 million in 2017.

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In connection with its initial investment in Butterball in December 2010, Seaboard provided Butterball with a $100 million unsecured subordinated loan (the "subordinated loan") with a seven-year maturity. Also, in connection with providing the subordinated loan, Seaboard received detachable warrants, which upon exercise for a nominal price, would enable Seaboard to acquire an additional 5% equity interest in Butterball. In January 2016, the interest on the subordinated loan was modified to 10% per annum, payable in cash semi-annually. The warrants were also modified in 2016, whereby Seaboard can exercise these warrants at any time after December 31, 2018 or prior to December 31, 2025 after which time the warrants expire. Butterball has the right to repurchase the warrants for fair market value. The warrant agreement essentially provides Seaboard with a 52.5% economic interest, as these warrants are in substance an additional equity interest. Therefore, Seaboard records 52.5% of Butterball's earnings as income (loss) from affiliates in the consolidated statements of comprehensive income. However, all significant corporate governance matters would continue to be shared equally between Seaboard and its partner in Butterball even if the warrants were exercised, unless Seaboard already owned a majority of the voting rights at the time of exercise. The warrants qualify for equity treatment under accounting standards. Upon issuance in December 2010, the warrants were allocated a value of $11 million, classified as investments in and advances to affiliates in the consolidated balance sheets, and the subordinated loan was allocated a discounted value of $89 million, classified as notes receivable from affiliates in the consolidated balance sheets. The discount on the subordinated loan was accreted monthly in interest income from affiliates through the maturity date of December 6, 2017. In December 2017, Butterball fully repaid the outstanding note receivable balance of $164 million and accrued interest of $6 million to Seaboard.

Note 7 - Notes Payable and Long-Term Debt

Notes payable under uncommitted lines of credit was $148 million and $162 million as of December 31, 2018 and 2017, respectively. Of the $148 million outstanding as of December 31, 2018, all was related to foreign subsidiaries, with $79 million denominated in South African rand, $20 million denominated in the Canadian dollar and $12 million denominated in the Zambian kwacha. The weighted average interest rate for outstanding notes payable was 7.76% and 10.48% as of December 31, 2018 and 2017, respectively. The notes payable under the lines of credit are unsecured and do not require compensating balances. Facility fees on these agreements are not material. As of December 31, 2018, Seaboard's borrowing capacity under its uncommitted lines of credit was reduced by $148 million drawn and $18 million of letters of credit.

Seaboard has a $100 million committed line of credit with Wells Fargo Bank, National Association that had no outstanding balance as of December 31, 2018. During 2018, Seaboard renewed this credit line for another year until September 27, 2019, with no other changes to the agreement. Interest is computed at LIBOR plus 0.50%, and Seaboard incurs an unused commitment fee of 0.09% per annum. This line of credit is secured by certain short-term investments and is subject to standard representations and covenants.

The following table is a summary of long-term debt:

	December 31,	
(Millions of dollars)	2018	2017
Term Loan due 2028	$ 698	$ —
Term Loan due 2022	—	484
Foreign subsidiary obligations due 2019 through 2023	81	52
Total long-term debt at face value	779	536
Current maturities of long-term debt and unamortized discount and costs	(40)	(54)
Long-term debt, less current maturities and unamortized discount and costs	$ 739	$ 482

On September 25, 2018, Seaboard entered into an Amended and Restated Term Loan Credit Agreement ("Credit Agreement") with CoBank, ACB, Farm Credit Services of America, PCA, and the lenders party thereto. This Credit Agreement replaced Seaboard Foods LLC's ("Seaboard Foods") $500 million unsecured term loan with a $700 million unsecured term loan ("Term Loan") and extended the maturity from December 4, 2022 to September 25, 2028. Seaboard received proceeds of $220 million, net of certain costs, of which some were capitalized and amortized to interest expense using the effective interest method. The Term Loan provides for quarterly payments of the principal balance pursuant to the revised amortization schedule set forth in the Credit Agreement, with the balance due on the maturity date. The Term Loan bears interest at fluctuating rates based on various margins over a Base Rate, LIBOR or a Quoted Rate, at the option of Seaboard. The interest rate was 4.15% and 3.20% as of December 31, 2018 and 2017, respectively.

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The Term Loan requires, among other terms, the maintenance of certain ratios involving a maximum debt to capitalization ratio, which shall not exceed 50% at the end of any fiscal quarter, and minimum tangible net worth, as defined, of not less than $2,500 million plus 25% of cumulative consolidated net income. The Term Loan also includes restrictions of certain subsidiaries to grant liens on assets, incur indebtedness over 15% of consolidated tangible net worth, make certain acquisitions, investments and asset dispositions in excess of specified amounts, and limits aggregate dividend payments to $100 million per year under certain circumstances. Seaboard has guaranteed all obligations of Seaboard Foods under the Term Loan.

Foreign subsidiary long-term debt is primarily denominated in euros and U.S. dollars. In conjunction with the acquisition discussed in Note 2, Seaboard incurred a euro-denominated note payable due to the sellers valued at $44 million as of December 31, 2018. The change in value from the date of acquisition to the current reporting period reflects foreign currency fluctuations and the accretion of the discount to the note payable face value over the term that is recorded as additional interest expense. This foreign subsidiary obligation bears interest at an annual rate of 3.25%, with interest due annually on the anniversary date, until maturity on January 5, 2021. Seaboard's Sugar and Alcohol segment, which is on a one-month lag, refinanced certain notes payable with short-term loans valued at approximately $29 million and $32 million as of December 31, 2018 and 2017, respectively. The outstanding short-term loan as of December 31, 2018 incurs a fixed rate of interest of 3.10% and matures on December 20, 2018. The outstanding short-term loan as of December 31, 2017 incurred a fixed rate of interest of 23% and matured on February 7, 2018. The weighted average interest rate of all foreign subsidiary debt was 3.80% and 21.80% as of December 31, 2018 and 2017, respectively. All of the foreign subsidiary debt is guaranteed by Seaboard, except $2 million is secured by property, plant and equipment.

Seaboard was in compliance with all restrictive debt covenants relating to these agreements as of December 31, 2018. The aggregate minimum principal payments required on long-term debt as of December 31, 2018 were as follows: $39 million in 2019, $9 million in 2020, $53 million in 2021, $8 million in 2022, $7 million in 2023 and $663 million thereafter.

Note 8 - Commitments and Contingencies

On June 28, 2018, Wanda Duryea and eleven other indirect purchasers of pork products, acting on behalf of themselves and a putative class of indirect purchasers of pork products, filed a class action complaint in the U.S. District Court for the District of Minnesota against several pork processors, including Seaboard Foods and Agri Stats, Inc., a company described in the complaint as a data sharing service. Subsequent to the filing of this initial complaint, additional class action complaints making similar claims on behalf of putative classes of direct and indirect purchasers were filed in the U.S. District Court for the District of Minnesota. The 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 their 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 include causes of action under various state laws, including state antitrust laws, unfair competition laws, consumer protection statutes, and state common law claims for unjust enrichment. The complaints also allege that the defendants concealed this conduct from the plaintiffs and the members of the putative classes. The relief sought in the respective complaints includes treble damages, injunctive relief, pre- and post-judgment interest, costs, and attorneys' fees on behalf of the putative classes. The complaints were amended and consolidated, and the cases are now organized into three consolidated putative class actions brought on behalf of (a) direct purchasers, (b) consumer indirect purchasers, and (c) commercial and institutional indirect purchasers. The amended complaints named Seaboard Corporation as an additional defendant. Seaboard intends to defend these cases vigorously. It is impossible at this stage either to determine the probability of a favorable or unfavorable outcome resulting from these suits, or to estimate the amount of potential loss, if any, resulting from the suits.

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 naming as parties Seaboard and Seaboard's subsidiaries, Seaboard Overseas Limited ("SOL") and Seaboard Uruguay Holdings Ltd. ("Seaboard Uruguay"). Seaboard has a 45% indirect ownership of Cereoil. The suit seeks an order requiring Seaboard, 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 intends to defend this case vigorously. 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. Any award in this case would offset against any award in the additional case described below filed by the Trustee on April 27, 2018.

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On April 27, 2018, the Trustee for Cereoil filed another suit in the Bankruptcy Court of First Instance in Uruguay that was served during the second quarter naming as parties Seaboard, 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 intends to defend this case vigorously. 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 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 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 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 intends to defend this case vigorously. 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 would total $14 million. It is possible that the net indebtedness could be higher than this amount if Nolston's liabilities are greater than $29 million and/or Nolston's assets are worth less than $15 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.

On September 18, 2014, and subsequently in 2015 and 2016, Seaboard received a number of grand jury subpoenas and informal requests for information from the Department of Justice, Asset Forfeiture and Money Laundering Section ("AFMLS"), seeking records related to specified foreign companies and individuals. The companies and individuals as to which the requested records relate were not affiliated with Seaboard, although Seaboard has also received subpoenas and requests for additional information relating to an affiliate of Seaboard. During 2017, Seaboard received grand jury subpoenas requesting documents and information related to money transfers and bank accounts in the Democratic Republic of Congo ("DRC") and other African countries and requests to interview certain Seaboard employees and to obtain testimony before a grand jury. Seaboard has retained outside counsel and is cooperating with the government's investigation. It is impossible at this stage either to determine the probability of a favorable or unfavorable outcome or to estimate the amount of potential loss, if any, resulting from the government's inquiry.

On September 19, 2012, the U.S. Immigration and Customs Enforcement ("ICE") executed three search warrants authorizing the seizure of certain records from Seaboard's offices in Merriam, Kansas and at the Seaboard Foods employment office and the human resources department in Guymon, Oklahoma. The warrants generally called for the seizure of employment-related files, certain e-mails and other electronic records relating to Medicaid and Medicaid recipients, certain health care providers in the Guymon area, and Seaboard's health plan and certain personnel issues as part of an investigation led by the U.S. Attorney's Office for the Western District of Oklahoma. This matter was settled in November 2018 pursuant to a settlement agreement with ICE and the State of Oklahoma to which Seaboard made cash payments to ICE and the State of Oklahoma in the aggregate amount of $1 million. The settlement resolves the investigation.

Seaboard is subject to various administrative and judicial proceedings and other legal matters related to the normal conduct of its business. In the opinion of management, the ultimate resolution of these items is not expected to have a material adverse effect in the consolidated financial statements of Seaboard.

Contingent Obligations

Certain of the non-consolidated affiliates and third-party contractors who perform services for Seaboard have bank debt supporting their underlying operations. From time to time, Seaboard will provide guarantees of that debt in order to further business objectives. Seaboard does not issue guarantees of third parties for compensation. As of December 31, 2018,

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guarantees outstanding to affiliates and third parties were not material. Seaboard has not accrued a liability for any of the affiliate or third-party guarantees as management considers the likelihood of loss to be remote.

Commitments

As of December 31, 2018 Seaboard had various non-cancelable purchase commitments and commitments under other agreements and operating leases, as described in the table below:

	Years ended December 31,						
(Millions of dollars)	2019	2020	2021	2022	2023	Thereafter	Totals
Hog procurement contracts [(a)]	$ 69	$ 71	$ 78	$ 64	$ 46	$ 34	$ 362
Grain and feed ingredients [(a)]	116	2	—	—	—	—	118
Grain purchase contracts for resale [(b)]	564	—	—	—	—	—	564
Fuel supply contracts [(c)]	31	—	49	49	49	352	530
Equipment and other purchase commitments	73	—	—	—	—	—	73
Total firm purchase commitments	$ 853	$ 73	$ 127	$ 113	$ 95	$ 386	$ 1,647
Ports [(d)]	18	18	19	19	20	109	203
Vessel, time and voyage-charters [(e)]	58	27	26	13	8	25	157
Contract grower agreements [(f)]	47	41	37	27	18	61	231
Other operating lease payments	18	13	9	8	6	15	69
Total operating lease payments	$ 141	$ 99	$ 91	$ 67	$ 52	$ 210	$ 660
Power barge and pork plant expansion [(g)]	138	71	9	—	—	—	218
Investment in affiliates [(h)]	14	9	9	—	—	—	32
Total unrecognized non-cancelable commitments	$ 1,146	$ 252	$ 236	$ 180	$ 147	$ 596	$ 2,557

(a) Seaboard has contracted with third parties for the purchase of hogs and has entered into grain and feed purchase contracts to support its hog operations. The amounts included in the table are based on projected market prices as of December 31, 2018. During 2018, 2017 and 2016, the Pork segment paid $77 million, $99 million and $133 million, respectively, for hogs purchased under committed contracts.

(b) The CT&M segment enters into grain purchase contracts, primarily to support firm sales commitments. These contracts are valued based on projected commodity prices as of December 31, 2018.

(c) The Power segment has a natural gas supply contract for a significant portion of the fuel required for the operation of its existing facility and barge under construction. The commitments have both fixed and variable price components, and the amount included in the table above is partially based on market prices as of December 31, 2018. The Marine segment also has fuel purchase contracts.

(d) Seaboard also leases various facilities and equipment under non-cancelable operating lease agreements including a terminal operations agreement at PortMiami, which runs through 2028. Rental expense for operating leases for all segments amounted to $46 million, $44 million and $43 million in 2018, 2017 and 2016, respectively.

(e) The Marine and CT&M segments enter into contracts to charter vessels for use in their operations, which include short-term time charters for a few months and long-term commitments ranging from less than one year to over three years. These segments' charter hire expenses during 2018, 2017 and 2016 totaled $111 million, $96 million and $95 million, respectively.

(f) To support the operations of the Pork segment, Seaboard has contract grower agreements in place with farmers to raise a portion of Seaboard's hogs according to Seaboard's specifications under long-term service agreements. During the years ended 2018, 2017 and 2016, Seaboard paid $48 million, $37 million and $26 million, respectively, under contract grower agreements.

(g) In November 2018, Seaboard's Power segment entered into a contract to build a floating power barge with operations anticipated to begin in the first quarter of 2021. The total cost of the project is estimated to exceed $160 million. In the third quarter of 2018, Seaboard's Pork segment entered into an approximate $103 million construction contract to expand its Oklahoma, pork processing plant during 2019 and 2020. These assets are under construction, so expected payments may vary based on timing of milestones achieved.

(h) Investment in affiliates represents obligations made to equity method investments, primarily for expected funding commitments to three limited liability companies that operate refined coal processing plants.

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Note 9 - Employee Benefits

Seaboard has one qualified defined benefit pension plan (the "Plan") for its domestic salaried and clerical employees that were hired before January 1, 2014. Benefits are generally based upon the number of years of service and a percentage of final average pay. Seaboard has historically based pension contributions on minimum funding standards to avoid the Pension Benefit Guaranty Corporation ("PBGC") variable rate premiums established by the Employee Retirement Income Security Act ("ERISA") of 1974. Seaboard did not make any contributions in 2018 and 2017 and currently does not plan on making any contributions in 2019.

As described in Note 10 to the consolidated financial statements, Seaboard utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following tables show the Plan's assets measured at estimated fair value as of December 31, 2018 and 2017, respectively, and also the level within the fair value hierarchy used to measure each category of assets:

(Millions of dollars)	December 31, 2018	Level 1	Level 2	Level 3
Assets:				
Domestic equity securities	$ 69	$ 69	$ —	$ —
Foreign equity securities	47	47	—	—
Domestic fixed income mutual funds	27	27	—	—
Foreign fixed income mutual funds	11	11	—	—
Money market funds	2	2	—	—
Total assets	$ 156	$ 156	$ —	$ —

(Millions of dollars)	December 31, 2017	Level 1	Level 2	Level 3
Assets:				
Domestic equity securities	$ 80	$ 80	$ —	$ —
Foreign equity securities	53	53	—	—
Domestic fixed income mutual funds	25	25	—	—
Foreign fixed income mutual funds	11	11	—	—
Money market funds	2	2	—	—
Total assets	$ 171	$ 171	$ —	$ —

Pursuant to Seaboard's investment policy, assets are invested in the Plan to achieve a diversified target allocation of approximately 50% in domestic equities, 25% in international equities, 20% in fixed income securities and 5% in alternative investments. The investment strategy is periodically reviewed by management for adherence to policy and performance.

Seaboard also sponsors non-qualified, unfunded supplemental executive plans, and has certain individual, non-qualified, unfunded supplemental retirement agreements for certain retired employees. The unamortized prior service cost is being amortized over the average remaining working lifetime of the active participants for these plans. Management has no plans to provide funding for these supplemental executive plans in advance of when the benefits are paid.

Assumptions used in determining pension information for all of the above plans were:

	Years ended December 31, 2018	2017	2016
Weighted average assumptions			
Discount rate used to determine obligations	3.50-4.50%	2.75-3.80%	2.90-4.65%
Discount rate used to determine net periodic benefit cost	2.75-3.80%	2.90-4.60%	3.20-4.80%
Expected return on plan assets	6.25%	6.50%	6.75-7.00%
Long-term rate of increase in compensation levels	4.00%	4.00%	4.00%

Management selected the discount rate based on a model-based result where the timing and amount of cash flows approximates the estimated payouts. The expected returns on the Plan's assets assumption are based on the weighted average of asset class expected returns that are consistent with historical returns. The assumed rate selected was based on model-based results that reflect the Plan's asset allocation and related long-term projected returns. The measurement date

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for all plans is December 31. The unrecognized net actuarial losses are generally amortized over the average remaining working lifetime of the active participants for all of these plans.

The changes in the Plan's benefit obligations and fair value of assets for the Plan, supplemental executive plans and retirement agreements and the funded status were as follows:

(Millions of dollars)	December 31, 2018	2017
Reconciliation of benefit obligation:		
Benefit obligation at beginning of year	$ 300	$ 262
Service cost	10	9
Interest cost	11	11
Actuarial losses (gains)	(22)	29
Plan settlements	—	(9)
Benefits paid	(6)	(3)
Other	—	1
Benefit obligation at end of year	$ 293	$ 300
Reconciliation of fair value of plan assets:		
Fair value of plan assets at beginning of year	$ 171	$ 151
Actual return on plan assets	(11)	25
Employer contributions	2	10
Plan settlements	—	(9)
Benefits paid	(6)	(6)
Fair value of plan assets at end of year	$ 156	$ 171
Funded status	$ (137)	$ (129)

The net funded status of the Plan was $(35) million and $(29) million as of December 31, 2018 and 2017, respectively. The accumulated benefit obligation for the Plan was $165 million and $171 million and for all the other plans was $95 million and $90 million as of December 31, 2018 and 2017, respectively. Expected future net benefit payments for all plans during each of the next five years and in aggregate for the five-year period beginning with the sixth year were as follows: $15 million, $18 million, $14 million, $25 million, $21 million and $75 million, respectively.

The settlements recognized during 2017 were primarily due to three participants who received lump sum payments in aggregate of $8 million that exceeded the service cost plus interest cost for the respective plan.

The net periodic cost of benefits of these plans was as follows:

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Components of net periodic benefit cost:			
Service cost	$ 10	$ 9	$ 9
Interest cost	11	11	11
Expected return on plan assets	(11)	(10)	(8)
Amortization and other	6	5	5
Settlement loss recognized	—	2	—
Net periodic benefit cost	$ 16	$ 17	$ 17

The service cost component is recorded in either cost of sales or selling, general and administrative expenses depending upon the employee, and the other components of net periodic benefit cost are recorded in miscellaneous, net in the consolidated statements of comprehensive income. The amounts not reflected in net periodic benefit cost and included in accumulated other comprehensive loss before taxes as of December 31, 2018 and 2017 were $72 million and $78 million, respectively. Such amounts primarily represent accumulated losses, net of gain.

Seaboard participates in a multi-employer pension fund, the United Food and Commercial Workers International Union-Industry Pension Fund, which covers certain union employees under a collective bargaining agreement. This fund's employer identification number is 51-6055922, and this plan's number is 001. For the plan year beginning July 1, 2017, this plan's "zone status" is green and is not subject to a funding improvement plan. Seaboard is required to make contributions to this plan in amounts established under the collective bargaining agreement that expires in July 2019.

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Contribution expense for this plan was $1 million for each of the years ended December 31, 2018, 2017 and 2016, which represents less than five percent of total contributions to this plan. The applicable portion of the total plan benefits and net assets of this plan is not separately identifiable, although Seaboard has received notice that, under certain circumstances, it could be liable for unfunded vested benefits or other expenses of this jointly administered union plan. The estimated withdrawal liability attributable to Seaboard based on the previous plan year ending June 30, 2018, was $17 million. Seaboard has not established any liabilities for potential future withdrawal, as such withdrawal from this plan is not probable.

Seaboard maintains a defined contribution plan covering most of its domestic salaried and clerical employees. In 2018, 2017 and 2016, Seaboard contributed to this plan an amount equal to 50% of the first 6% of each employee's contributions to the plan. Employee vesting is based upon years of service, with 20% vested after one year of service and an additional 20% vesting with each additional complete year of service. Contribution expense for this plan was $3 million, $3 million and $2 million for the years ended December 2018, 2017 and 2016, respectively. In addition, Seaboard maintains a defined contribution plan covering most of its hourly, non-union employees. Contribution expense for this plan was $1 million for each of the years ended December 31, 2018, 2017 and 2016.

Seaboard has a deferred compensation plan that allows certain employees to reduce their compensation in exchange for values in various investments. Seaboard also has an Investment Option Plan that allowed certain employees to reduce their compensation in exchange for an option to acquire interests measured by reference to three investments. Contributions are no longer permitted under the Investment Option Plan. The exercise price for each investment option was established based upon the fair market value of the underlying investment on the date of grant. Under the deferred compensation plan, Seaboard contributes 3% of the employees' reduced compensation. Seaboard's income (expense) for these two deferred compensation plans, which primarily includes amounts related to the change in fair value of the underlying investment accounts, was $2 million, $(10) million and $(4) million for the years ended December 31, 2018, 2017 and 2016, respectively. Included in other liabilities as of December 31, 2018 and 2017 were $38 million and $40 million, respectively, representing the market value of the payable to the employees upon distribution or exercise for each plan. In conjunction with these plans, Seaboard purchased the specified number of units of the employee-designated investment, plus the applicable option price for the Investment Option Plan. These investments are treated as trading securities and are stated at their fair market values. Accordingly, as of December 31, 2018 and 2017, $45 million and $46 million, respectively, were included in other current assets in the consolidated balance sheets. Investment income (loss) related to the mark-to-market of these investments for 2018, 2017 and 2016 totaled $(2) million, $9 million and $4 million, respectively.

Note 10 - Derivatives and Fair Value of Financial Instruments

Seaboard uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into the following three broad levels:

Level 1: Quoted Prices in Active Markets for Identical Assets or Liabilities - Observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities that Seaboard has the ability to access at the measurement date.

Level 2: Significant Other Observable Inputs - 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: Significant Unobservable Inputs - Unobservable inputs that reflect the reporting entity's own assumptions.

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The following tables show assets and liabilities measured at fair value on a recurring basis as of December 31, 2018 and 2017, respectively, and also 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)	December 31, 2018	Level 1	Level 2	Level 3
Assets:				
Trading securities – short-term investments:				
Domestic equity securities	$ 632	$ 632	$ —	$ —
Domestic debt securities	268	215	53	—
Foreign equity securities	218	218	—	—
Money market funds held in trading accounts	146	146	—	—
Collateralized loan obligations	28	—	28	—
High yield securities	19	7	12	—
Foreign debt securities	16	2	14	—
Term deposits	9	9	—	—
Other trading securities	5	5	—	—
Trading securities – other current assets:				
Domestic equity securities	32	32	—	—
Money market funds held in trading accounts	5	5	—	—
Foreign equity securities	3	3	—	—
Fixed income securities	3	3	—	—
Other	1	1	—	—
Derivatives:				
Commodities [1]	6	4	2	—
Foreign currencies	2	—	2	—
Total assets	$ 1,393	$ 1,282	$ 111	$ —
Liabilities:				
Trading securities – short-term investments:				
Other trading securities	$ 5	$ —	$ 5	$ —
Contingent consideration	13	—	—	13
Derivatives:				
Commodities [1]	4	4	—	—
Total liabilities	$ 22	$ 4	$ 5	$ 13

[1] Seaboard's commodity derivative assets and liabilities are presented in the consolidated balance sheets on a net basis, including netting the derivatives with the related margin accounts. As of December 31, 2018, the commodity derivatives had a margin account balance of $15 million resulting in a net other current asset in the consolidated balance sheet of $17 million.

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(Millions of dollars)	December 31, 2017	Level 1	Level 2	Level 3
Assets:				
Trading securities – short-term investments:				
Domestic equity securities	$ 752	$ 752	$ —	$ —
Domestic debt securities held in mutual funds/ETFs/U.S. Treasuries	439	438	1	—
Foreign equity securities	319	319	—	—
Collateralized loan obligations	29	—	29	—
High yield securities	21	21	—	—
Money market funds held in trading accounts	10	10	—	—
Other trading securities	6	6	—	—
Trading securities – other current assets:				
Domestic equity securities	35	35	—	—
Money market funds held in trading accounts	5	5	—	—
Foreign equity securities	4	4	—	—
Fixed income securities	2	2	—	—
Derivatives:				
Commodities [(1)]	4	4	—	—
Foreign currencies	3	—	3	—
Total assets	$ 1,629	$ 1,596	$ 33	$ —
Liabilities:				
Derivatives:				
Commodities [(1)]	$ 6	$ 6	$ —	$ —
Foreign currencies	6	—	6	—
Total liabilities	$ 12	$ 6	$ 6	$ —

(1) Seaboard's commodity derivative assets and liabilities are presented in the consolidated balance sheets on a net basis, including netting the derivatives with the related margin accounts. As of December 31, 2017, the commodity derivatives had a margin account balance of $20 million resulting in a net other current asset in the consolidated balance sheet of $18 million.

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.

Domestic 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 and U.S. Treasuries. Foreign debt securities categorized as level 1 in the fair value hierarchy include debt securities held in mutual funds and ETFs with a country of origin concentration outside the U.S. Foreign debt securities categorized as level 2 include foreign government or government related securities and asset-backed securities with a country of origin concentration outside the U.S. High yield securities categorized as level 1 in the fair value hierarchy include high yield securities held in mutual funds and ETFs, and level 2 includes corporate bonds and bank loans.

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 consolidated balance sheets, it would have been classified as level 2 in the fair value hierarchy. See Note 7 for a discussion of Seaboard's long-term debt.

The fair value of Seaboard's contingent consideration recorded in conjunction with the acquisition discussed further in Note 2 was classified as a level 3 in the fair value hierarchy since the calculation is dependent upon projected company specific inputs using a Monte Carlo simulation. In future reporting periods, Seaboard will remeasure the estimated fair value of the contingent consideration liability until settled. The estimated fair value of the liability decreased $1 million during the fourth quarter of 2018 based upon updated financial information, including 2018 actual and 2019 budgeted amounts.

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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. As the derivatives discussed below are not accounted for as hedges, fluctuations in the related commodity prices, foreign currency exchange rates and equity prices could have a material impact on earnings in any given reporting period.

Commodity Instruments
Seaboard uses various derivative futures and options to manage its risk to price fluctuations for raw materials and other inventories, finished product sales and firm sales commitments. Occasionally, Seaboard also enters 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 in the consolidated statements of comprehensive income. For the years ended December 31, 2018, 2017 and 2016, Seaboard recognized net realized and unrealized gains (losses) related to commodity contracts of $(12) million, $(9) million and $21 million, respectively, included in cost of sales in the consolidated statements of comprehensive income.

As of December 31, 2018, Seaboard had open net derivative contracts to purchase 33 million bushels of grain and 8 million pounds of soybean oil and open net derivative contracts to sell 26 million pounds of hogs and 7 million gallons of heating oil. As of December 31, 2017, Seaboard had open net derivative contracts to purchase 29 million bushels of grain, 1 million pounds of soybean oil and open net derivative contracts to sell 13 million pounds of hogs and 7 million gallons of heating oil.

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 currency exchange agreements that primarily relate to an underlying commodity transaction are recorded at fair value with changes in value marked-to-market as a component of cost of sales in the consolidated statements of comprehensive income. Foreign currency exchange agreements that are not related to an underlying commodity transaction are recorded at fair value with changes in value marked-to-market as a component of foreign currency gains (losses), net in the consolidated statements of comprehensive income. As of December 31, 2018 and 2017, Seaboard had foreign currency exchange agreements with notional amounts of $82 million and $20 million, respectively, primarily related to the South African rand, euro and the Canadian dollar. From time to time Seaboard is subject to counterparty credit risk related to its foreign currency exchange agreements should the counterparties fail to perform according to the terms of the contracts. As of December 31, 2018, Seaboard had $2 million of credit risk to five counterparties related to its foreign currency exchange agreements. Seaboard does not hold any collateral related to these agreements.

Equity Futures Contracts
Seaboard enters into equity futures contracts to manage the equity price risk with respect to certain short-term investments. Equity futures contracts are recorded at fair value with changes in value marked-to-market as a component of other investment income (loss), net in the consolidated statements of comprehensive income. The notional amounts of these equity futures contracts were $97 million and $0 million as of December 31, 2018 and 2017, respectively.

The following table provides the amount of gain (loss) recognized for each type of derivative and where it was recognized in the consolidated statements of comprehensive income for the year ended December 31, 2018 and 2017:

(Millions of dollars)		2018	2017
Commodities	Cost of sales	$ (12)	$ (9)
Foreign currencies	Cost of sales	2	(7)
Foreign currencies	Foreign currency gains (losses), net	1	(1)
Equity	Other investment income (loss), net	(6)	—

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The following table provides the fair value of each type of derivative held as of December 31, 2018 and 2017 and where each derivative is included in the consolidated balance sheets:

(Millions of dollars)		Asset Derivatives December 31, 2018	Asset Derivatives December 31, 2017		Liability Derivatives December 31, 2018	Liability Derivatives December 31, 2017
Commodities[(1)]	Other current assets	$ 6	$ 4	Other current liabilities	$ 4	$ 6
Foreign currencies	Other current assets	2	3	Other current liabilities	—	6
Equity	Short-term investments	—	—	Short-term investments	5	—

(1) Seaboard's commodity derivative assets and liabilities are presented in the consolidated balance sheets on a net basis, including netting the derivatives with the related margin accounts. As of December 31, 2018 and 2017, the commodity derivatives had a margin account balance of $15 million and $20 million, respectively, resulting in a net other current asset in the consolidated balance sheets of $17 million and $18 million, respectively. Seaboard's equity derivatives are also presented on a net basis, including netting the derivatives within short-term investments.

Note 11 - Stockholders' Equity and Accumulated Other Comprehensive Loss

In October 2017, the Board of Directors extended through October 31, 2019 the share repurchase program initially established in November 2009. As of December 31, 2018, $95 million remained available for repurchases under this program. Seaboard repurchased 1,333 shares of common stock at a total price of $5 million during 2018. Shares repurchased were retired and became authorized and unissued shares. Seaboard did not repurchase any shares of common stock during 2017 and 2016. Under this share repurchase program, Seaboard is authorized to repurchase its common stock from time to time in open market or privately negotiated purchases, which may be above or below the traded market price. During the period that the share repurchase program remains in effect, from time to time, Seaboard may enter into a 10b5-1 plan authorizing a third party to make such purchases on behalf of Seaboard. All stock repurchased will be made in compliance with applicable legal requirements and funded by cash on hand. The timing of the repurchases and the number of shares repurchased at any given time will depend upon market conditions, compliance with Securities and Exchange Commission ("SEC") regulations, and other factors. The Board of Directors' stock repurchase authorization does not obligate Seaboard to acquire a specific amount of common stock, and the stock repurchase program may be suspended at any time at Seaboard's discretion. Shares repurchased are retired and resume the status of authorized and unissued shares.

In each of the four quarters of 2018 and 2017, Seaboard declared and paid a quarterly dividend of $1.50 per share on the common stock. Seaboard did not declare or pay a dividend in 2016. In December 2012, Seaboard declared and paid a dividend of $12.00 per share on the common stock. The increased amount of the dividend represented a prepayment of the annual 2013, 2014, 2015 and 2016 dividends ($3.00 per share per year).

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The components of accumulated other comprehensive loss, net of related taxes, for 2016, 2017 and 2018 were as follows:

(Millions of dollars)	Cumulative Foreign Currency Translation Adjustment	Unrealized Gain on Investments	Unrecognized Pension Cost	Total
Balance December 31, 2016	$ (254)	$ 2	$ (52)	$ (304)
Other comprehensive income (loss) before reclassifications	(6)	5	(8)	(9)
Amounts reclassified from accumulated other comprehensive loss to net earnings	—	—	4 (1)	4
Other comprehensive income (loss), net of tax	(6)	5	(4)	(5)
Amounts reclassified from accumulated other comprehensive loss to retained earnings	(37)(2)	—	(8)(2)	(45)
Balance December 31, 2017	$ (297)	$ 7	$ (64)	$ (354)
Other comprehensive loss before reclassifications	(52)	—	(1)	(53)
Amounts reclassified from accumulated other comprehensive loss to net loss	—	—	4 (1)	4
Other comprehensive income (loss), net of tax	(52)	—	3	(49)
Amounts reclassified from accumulated other comprehensive loss to retained earnings	—	(7)(3)	—	(7)
Balance December 31, 2018	$ (349)	$ —	$ (61)	$ (410)

(1) This primarily represents the amortization of actuarial losses that were included in net periodic pension cost and recorded in operating income. See Note 9 for further discussion.

(2) This represents the adoption of accounting guidance to reclassify $45 million of tax effects from accumulated other comprehensive loss to retained earnings in the consolidated financial statements for the year ended December 31, 2017.

(3) Effective January 1, 2018, upon adoption of new guidance, all unrealized gains (losses) on investments are included in the consolidated statement of comprehensive income. The accumulated other comprehensive income balance as of December 31, 2017, was reclassified to retained earnings on January 1, 2018.

The cumulative foreign currency translation adjustment primarily represents the effect of the Argentine peso currency exchange fluctuation on the net assets of the Sugar and Alcohol segment. Effective in the third quarter of 2018, the Sugar and Alcohol segment's functional currency changed from the Argentine peso to the U.S. dollar due to highly inflationary accounting. See Note 1 for further discussion of this impact.

For 2018, less than $1 million of income taxes for the cumulative foreign currency translation adjustment was recorded because substantially all of the adjustment related to foreign subsidiaries for which no tax benefit was recorded. See Note 13 for discussion of the election to change the tax status of a wholly-owned subsidiary from a partnership to a corporation. Income taxes for cumulative foreign currency translation adjustments were recorded using a 21% effective tax rate in the fourth quarter of 2017 and a 35% effective tax rate for all other periods, except for $91 million in 2017 related to certain subsidiaries for which no tax benefit was recorded. Income taxes for all other components of accumulated other comprehensive loss were recorded using a 26% effective tax rate in the fourth quarter of 2017 and all of 2018 and a 39% effective tax rate for other periods of 2017 and all of 2016, except for unrecognized pension cost of $23 million and $22 million in 2018 and 2017, respectively, related to employees at certain subsidiaries for which no tax benefit was recorded.

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Note 12 – Revenue Recognition

Seaboard has multiple segments with diverse revenue streams. For additional information on Seaboard's segments, see Note 14. The following table presents Seaboard's sales disaggregated by revenue source and segment:

	Year Ended December 31, 2018						
(Millions of dollars)	Pork	Commodity Trading & Milling	Marine	Sugar and Alcohol	Power	All Other	Consolidated Totals
Major Products/Services Lines:							
Products	$ 1,451	$ 3,410	$ —	$ 173	$ —	$ 18	$ 5,052
Transportation	9	—	1,057	—	—	—	1,066
Energy	282	—	—	11	122	—	415
Other	32	18	—	—	—	—	50
Segment/Consolidated Totals	$ 1,774	$ 3,428	$ 1,057	$ 184	$ 122	$ 18	$ 6,583

Revenue from goods and services transferred to customers at a single point in time accounted for approximately 85% of Seaboard's net sales for the year ended December 31, 2018. Substantially all of the sales in Seaboard's Marine segment are recognized ratably over the transit time for each voyage as Seaboard believes this is a faithful depiction of the performance obligation to its customers.

Almost all of Seaboard's contracts with its customers are short-term, defined as less than one year. The Pork segment recognizes fees paid at commencement of the marketing agreement with Triumph over the term of the agreement. As of December 31, 2018, Seaboard had $12 million of remaining performance obligations that were unsatisfied related to the marketing agreement, of which 50% is expected to be recognized as net sales in 2019 and the remaining 50% in 2020. Seaboard elected to use all practical expedients and therefore will not disclose the value of unsatisfied performance obligations for: (i) contracts with an original expected length of one year or less; and (ii) contracts for which revenue is recognized at the amount to which it has the right to invoice for services performed. Also, Seaboard will recognize a financing component only on obligations that extend longer than one year.

Deferred revenue represents cash payments received in advance of Seaboard's performance or revenue billed that is unearned. The CT&M segment requires certain customers to pay in advance or upon delivery to avoid collection risk. The Marine segment's deferred revenue balance primarily relates to the unearned portion of billed revenue when a ship is on the water and has not arrived at the designated port. Deferred revenue balances are reduced when revenue is recognized. Deferred revenue recognized as revenue for the year ended December 31, 2018 was $327 million.

The primary impact of adopting the new guidance was the acceleration of revenue related to sales in Seaboard's CT&M segment that previously had not been recognized as a fixed and determinable price was not established at the time of sale. Under the new guidance, revenue is recognized when control is transferred. Adjustments are made to revenue for pending sale prices dependent upon market fluctuations, further processing, or other factors until sales prices are finalized. The following tables summarize the impacts of adoption on Seaboard's consolidated financial statements:

Consolidated Statement of Comprehensive Income

	Year ended December 31, 2018		
(Millions of dollars)	Balances Without Adoption of Topic 606	Adjustments	As Reported
Total net sales	$ 6,555	$ 28	$ 6,583
Total cost of sales	$ 6,032	$ 28	$ 6,060

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Consolidated Balance Sheet	December 31, 2018		
(Millions of dollars)	Balances Without Adoption of Topic 606	Adjustments	As Reported
Net receivables	$ 544	$ 7	$ 551
Inventories	$ 860	$ (45)	$ 815
Deferred revenue	$ 77	$ (38)	$ 39

Consolidated Statement of Cash Flows	Year ended December 31, 2018		
(Millions of dollars)	Balances Without Adoption of Topic 606	Adjustments	As Reported
Changes in assets and liabilities, net of acquisitions:			
Receivables, net of allowance	$ (51)	$ (7)	$ (58)
Inventories	$ (79)	$ 45	$ (34)
Current liabilities, exclusive of debt	$ 16	$ (38)	$ (22)

Note 13 - Income Taxes

On December 22, 2017, the President of the U.S. signed into law the Tax Cuts and Job Act (the "2017 Tax Act"). The 2017 Tax Act changed U.S. tax law by, among other things, lowering corporate income tax rates, implementing a territorial tax system and imposing a repatriation tax on mandatory deemed repatriated earnings of foreign subsidiaries. The 2017 Tax Act permanently reduces the U.S. corporate income tax rate from a maximum of 35% to a flat 21% rate, effective January 1, 2018.

Income taxes attributable to continuing operations for the years ended December 31, 2018, 2017 and 2016 differed from the amounts computed by applying the statutory U.S. federal income tax rate of 21% for 2018 and 35% for 2017 and 2016 to earnings before income taxes excluding noncontrolling interests for the following reasons:

	Years ended December 31,		
(Millions of dollars)	2018	2017	2016
Computed "expected" tax expense (benefit) excluding noncontrolling interests	$ (3)	$ 150	$ 134
Adjustments to tax expense (benefit) attributable to:			
Foreign tax differences	12	(22)	(14)
Tax-exempt income	(13)	—	(15)
State income taxes, net of federal benefit	(8)	9	5
Repatriation tax	14	112	—
Effect on deferreds of federal rate reduction	—	(47)	—
Foreign entity tax status change	22	—	—
Federal tax credits	(23)	(18)	(31)
Federal rate reduction effect on capital loss carryback	(3)	—	—
Domestic manufacturing deduction	—	(2)	(5)
Other	3	(1)	(4)
Total income tax expense	$ 1	$ 181	$ 70

In December 2017, the SEC issued guidance that permitted the use of provisional amounts when the necessary information was not available, prepared or analyzed in reasonable detail to complete the accounting for certain income tax effects of the 2017 Tax Act. Seaboard recognized $112 million of provisional tax impact related to mandatory deemed repatriated earnings and a $47 million benefit from the revaluation of deferred tax assets and liabilities in its consolidated financial statements for the year ended December 31, 2017. The accounting for the income tax effects of the 2017 Tax Act was completed in the fourth quarter of 2018 with a total adjustment of $16 million related primarily to repatriation and, to a lesser extent, executive compensation items. Seaboard increased its provisional tax impact by $13 million during the third quarter of 2018 and $3 million during the fourth quarter of 2018. The 2018 effective tax rate was significantly impacted by these measurement-period adjustments. The changes related to mandatory deemed repatriated earnings and the revaluation of deferred tax assets and liabilities were based on interpretation changes and further analysis. Additional regulatory guidance may be issued, and Seaboard will adjust in the period of issuance.

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Beginning in 2018, the 2017 Tax Act also imposed two new U.S. tax base erosion provisions, the global intangible low-taxed income ("GILTI") provision and the base-erosion and anti-abuse tax ("BEAT") provision. Seaboard accounts for the GILTI and BEAT taxes in the period incurred. Seaboard's annual income tax rate for 2018 includes less than $1 million of anticipated tax expense associated with the GILTI and BEAT provisions.

During 2018, Seaboard elected to change the tax status of a wholly-owned subsidiary from a partnership to a corporation. This change in tax status resulted in an estimated $22 million of additional tax expense and additional deferred tax liabilities.

Earnings before income taxes were as follows:

	Years ended December 31,		
(Millions of dollars)	2018	2017	2016
United States	$ (109)	$ 273	$ 272
Foreign	93	155	110
Total earnings (loss) excluding noncontrolling interests	(16)	428	382
Net loss (income) attributable to noncontrolling interests	—	1	(2)
Total earnings (loss) before income taxes	$ (16)	$ 427	$ 384

The components of total income taxes were as follows:

	Years ended December 31,		
(Millions of dollars)	2018	2017	2016
Current:			
Federal	$ (20)	$ 118	$ (1)
Foreign	32	19	21
State and local	—	2	7
Deferred:			
Federal	5	20	36
Foreign	(5)	10	4
State and local	(11)	12	3
Income tax expense	1	181	70
Unrealized changes in other comprehensive income (loss)	2	(3)	(12)
Total income taxes	$ 3	$ 178	$ 58

Seaboard recorded $14 million and $112 million of tax on mandatory deemed repatriated earnings for the years ended December 31, 2018 and 2017, respectively. As of December 31, 2018, Seaboard has $73 million of long-term income tax liability, payable over 8 years, and $7 million of income taxes payable related to mandatory deemed repatriated earnings. As of December 31, 2018 and 2017, Seaboard had income taxes receivable of $39 million and $51 million, respectively, primarily related to domestic tax jurisdictions, and had income taxes payable of $14 million and $3 million, respectively, primarily related to foreign tax jurisdictions.

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Components of the net deferred income tax liability at the end of each year were as follows:

(Millions of dollars)	December 31, 2018	2017
Deferred income tax liabilities:		
Depreciation	$ 140	$ 92
Domestic partnerships	78	92
LIFO	—	3
Cash basis farming adjustment	5	5
Deferred earnings of foreign subsidiaries	2	—
Other	1	17
	$ 226	$ 209
Deferred income tax assets:		
Reserves/accruals	$ 70	$ 61
Deferred earnings of foreign subsidiaries	—	24
Net operating and capital loss carry-forwards	56	51
LIFO	7	—
Tax credit carry-forwards	21	14
Other	4	6
	158	156
Valuation allowance	59	59
Net deferred income tax liability	$ 127	$ 112

The activity within the valuation allowance account is as follows:

(Millions of dollars)	Balance at beginning of year	Charge (credit) to expense	Balance at end of year
Allowance for Deferred Tax Assets:			
Year Ended December 31, 2018	$ 59	—	$ 59
Year Ended December 31, 2017	$ 58	1	$ 59
Year Ended December 31, 2016	$ 19	39	$ 58

Management believes Seaboard's future taxable income will be sufficient for full realization of the net deferred tax assets. The valuation allowance relates to the tax benefits from foreign net operating losses and tax credits. Management does not believe these benefits are more likely than not to be realized due to limitations imposed on the utilization of these losses and credits. As of December 31, 2018, Seaboard had foreign net operating loss carry-forwards of approximately $148 million, a portion of which expire in varying amounts between 2019 and 2038, while others have indefinite expiration periods. As of December 31, 2018, Seaboard had state and foreign tax credit carry-forwards of approximately $20 million, net of valuation allowance, all of which carry-forward indefinitely.

As of December 31, 2018 and 2017, Seaboard had $25 million and $18 million, respectively, in total unrecognized tax benefits, all of which if recognized would affect the effective tax rate. It is reasonably possible that the resolution of ongoing governmental audits within 12 months of the reporting date could significantly affect the total amounts of unrecognized tax benefits. The following table is a reconciliation of the beginning and ending amount of unrecognized tax benefits:

(Millions of dollars)	2018	2017
Beginning balance at January 1	$ 18	$ 13
Additions for uncertain tax positions of prior years	2	3
Additions for uncertain tax positions of current year	6	3
Lapse of statute of limitations	(1)	(1)
Ending balance as of December 31	$ 25	$ 18

Seaboard accrues interest related to unrecognized tax benefits and penalties in income tax expense and had approximately $6 million and $3 million accrued for the payment of interest and penalties as of December 31, 2018 and 2017, respectively.

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Seaboard's tax returns are regularly audited by federal, state and foreign tax authorities, which may result in material adjustments. Seaboard's 2013, 2014 and 2015 U.S. income tax returns are currently under Internal Revenue Service examination. Tax years prior to 2013 are generally no longer subject to U.S. tax assessment. In Seaboard's major non-U.S. jurisdictions, including Argentina, the Dominican Republic, Ivory Coast and Senegal, tax years are typically subject to examination for three to six years.

As of December 31, 2018, Seaboard had provided for U.S. federal income tax on $1,300 million of undistributed earnings from foreign operations in conjunction with the 2017 Tax Act. 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 the majority of these funds outside the U.S. as current plans do not demonstrate a need to repatriate them to fund Seaboard's U.S. operations and therefore, Seaboard has not recorded deferred taxes for state or foreign withholding taxes that would result upon repatriation to the U.S. Determination of the tax that might be paid on unremitted earnings if eventually remitted is not practical. If Seaboard decided at a later date to repatriate these permanently reinvested earnings to the U.S., Seaboard would be required to provide for the net tax effects on these amounts.

Seaboard has certain investments in various limited partnerships as a limited partner that are expected to enable Seaboard to obtain certain tax credits. The balance of the low-income housing investments recognized in the consolidated balance sheets as of December 31, 2018 and 2017 was $5 million and $7 million, respectively. Seaboard uses the proportional amortization method of accounting for all of its qualified affordable housing project investments by amortizing the initial cost of the investment in proportion to the income tax credits received and recognizing as a component of income tax expense. Seaboard also has invested in three limited liability companies that operate refined coal processing plants that generate federal income tax credits based on production levels. Seaboard's total contributions to these investments were $17 million, $10 million and $14 million during 2018, 2017 and 2016, respectively. See Note 8 for Seaboard's estimate of its funding commitment for these plants. Additionally, Seaboard invested $10 million during 2016 in two limited liability companies that operate solar energy production facilities that generate investment tax credits. These other alternative investments are accounted for using the equity method of accounting.

In February 2018, Congress retroactively extended the federal blender's credits for 2017. In accordance with U.S. GAAP, the effects of changes in tax laws, including retroactive changes, are recognized in the financial statements in the period that the changes are enacted. Accordingly, in the first quarter of 2018, a one-time tax benefit of $4 million related to the 2017 federal blender's credits was recorded in income tax expense. In addition to this amount, Seaboard recognized $42 million of federal blender's credits as non-taxable revenue in the first quarter of 2018. See Note 14 for further discussion of the federal blender's credits. The Protecting Americans from Tax Hikes Act of 2015 (the "2015 Tax Act"), signed into law in December 2015, extended the federal blender's credits provisions through December 31, 2016. Revenue was recognized ratably throughout 2016. The federal blender's credits were not renewed for 2018.

Note 14 - Segment Information

Seaboard has six reportable segments: Pork, CT&M, Marine, Sugar and Alcohol, Power and Turkey, each offering a specific product or service. Seaboard's reporting segments are based on information used by Seaboard's Chief Executive Officer in his capacity as chief operating decision maker to determine allocation of resources and assess performance. Each of the six segments is separately managed, and each was started or acquired independent of the other segments. The Pork segment primarily produces and sells fresh and frozen pork products to further processors, foodservice operators, grocery stores, distributors and retail outlets throughout the U.S., and to foreign markets. This segment also produces biodiesel from pork fat and other animal fat and vegetable oil for sale to third parties. Substantially all of Seaboard's Pork segment's hourly employees at its processing plant are covered by a collective bargaining agreement that expires in 2019. The CT&M segment is an integrated agricultural commodity trading, processing and logistics operation that internationally markets wheat, corn, soybean meal and other agricultural commodities in bulk to third-party customers and to non-consolidated affiliates. This segment also operates flour, maize and feed mills and bakery operations in numerous foreign countries. The Marine segment provides cargo shipping services in the U.S., the Caribbean and Central and South America. The Sugar segment produces and processes sugar and alcohol in Argentina, primarily to be marketed locally. The Power segment is an independent power producer in the Dominican Republic operating a power generating barge. The Turkey segment, accounted for using the equity method, produces and sells branded and non-branded turkey products. Total assets for the Turkey segment represent Seaboard's investment in Butterball. Revenues for the All Other segment are primarily

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derived from a jalapeño pepper processing operation. Below are significant segment events that impact financial results for the periods covered by this report.

During 2017 and 2016, the Pork segment acquired hog growing operations for total cash consideration of $40 million and $219 million, respectively. These hog operations' results have been included in Seaboard's consolidated financial statements from the dates of acquisition. See Note 2 for further information on these acquisitions. The Pork segment's biodiesel plants have historically received federal blender's credits for the biodiesel they blend. The 2015 Tax Act signed into law in December 2015 renewed the federal blender's credit retroactively to January 1, 2015 with an expiration of December 31, 2016. The federal blender's credits were not renewed in 2017, but in February 2018 Congress retroactively extended the federal blender's credits for 2017. Seaboard recognized approximately $42 million of revenue in the first quarter of 2018 for the biodiesel it blends. There was no tax expense on this transaction. The federal blender's credits were not renewed in 2018.

On January 5, 2018, the CT&M segment acquired flour milling and associated businesses in Senegal, Ivory Coast and Monaco for $324 million, plus an earn-out between zero and $48 million, using the exchange rate in effect at closing. During 2017, the CT&M segment acquired an elevator business in Canada for total cash consideration of $14 million. On October 28, 2016, the CT&M segment obtained control of Belarina, its non-consolidated affiliate with a flour production business in Brazil. See Note 2 for further details of these acquisitions.

The following tables set forth specific financial information about each segment as reviewed by Seaboard's management, except for the Turkey segment information previously disclosed in Note 6 to the consolidated financial statements. Operating income for segment reporting is prepared on the same basis as that used for consolidated operating income. Operating income, along with income (loss) from affiliates for the Pork, CT&M and Turkey segments, are used as the measures of evaluating segment performance because management does not consider interest, other investment income (loss) and income tax 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. Corporate assets include short-term investments, other current assets related to deferred compensation plans, fixed assets, and other miscellaneous items. Corporate operating losses represent certain operating costs not specifically allocated to individual segments and include costs related to Seaboard's deferred compensation programs, which are offset by the effect of the mark-to-market adjustments on these investments recorded in other investment income (loss), net.

Sales to External Customers:

	Years ended December 31,		
(Millions of dollars)	2018	2017	2016
Pork	$ 1,774	$ 1,609	$ 1,443
Commodity Trading and Milling	3,428	2,945	2,778
Marine	1,057	956	916
Sugar and Alcohol	184	186	147
Power	122	97	79
All Other	18	16	16
Segment/Consolidated Totals	$ 6,583	$ 5,809	$ 5,379

Operating Income (Loss):

	Years ended December 31,		
(Millions of dollars)	2018	2017	2016
Pork	$ 117	$ 193	$ 179
Commodity Trading and Milling	46	25	38
Marine	25	21	33
Sugar and Alcohol	9	21	(12)
Power	21	9	7
All Other	2	2	2
Segment Totals	220	271	247
Corporate	(11)	(31)	(17)
Consolidated Totals	$ 209	$ 240	$ 230

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Income (Loss) from Affiliates:

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Pork	$ (30)	$ (10)	$ 11
Commodity Trading and Milling	(11)	7	(10)
Marine	2	(7)	1
Sugar and Alcohol	1	1	2
Power	10	6	4
Turkey	(16)	(4)	73
Segment/Consolidated Totals	$ (44)	$ (7)	$ 81

Depreciation and Amortization:

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Pork	$ 73	$ 69	$ 56
Commodity Trading and Milling	22	10	6
Marine	24	24	26
Sugar and Alcohol	6	7	6
Power	8	8	8
Segment Totals	133	118	102
Corporate	1	—	—
Consolidated Totals	$ 134	$ 118	$ 102

Total Assets:

(Millions of dollars)	December 31, 2018	2017
Pork	$ 1,304	$ 1,309
Commodity Trading and Milling	1,423	964
Marine	345	376
Sugar and Alcohol	138	197
Power	203	188
Turkey	295	315
All Other	8	4
Segment Totals	3,716	3,353
Corporate	1,591	1,808
Consolidated Totals	$ 5,307	$ 5,161

Investments in and Advances to Affiliates:

(Millions of dollars)	December 31, 2018	2017
Pork	$ 192	$ 231
Commodity Trading and Milling	255	240
Marine	28	28
Sugar and Alcohol	4	4
Power	30	38
Turkey	295	310
Segment/Consolidated Totals	$ 804	$ 851

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Capital Expenditures:

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Pork	$ 86	$ 100	$ 69
Commodity Trading and Milling	29	15	35
Marine	18	37	19
Sugar and Alcohol	5	20	33
Power	23	1	1
Segment Totals	161	173	157
Corporate	1	—	1
Consolidated Totals	$ 162	$ 173	$ 158

Geographic Information

Seaboard had sales in South Africa totaling $589 million, $581 million and $650 million for the years ended December 31, 2018, 2017 and 2016, respectively, representing approximately 9%, 10% and 12% of total sales for each respective year. Seaboard also had sales in Colombia totaling $757 million, $495 million and $421 million for the years ended December 31, 2018, 2017 and 2016, respectively, representing approximately 11%, 9% and 8% of total sales for each respective year. No other individual foreign country accounted for 10% or more of sales to external customers.

The following table provides a geographic summary of net sales based on the location of product delivery:

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Caribbean, Central and South America	$ 2,753	$ 2,295	$ 1,990
Africa	1,668	1,483	1,572
United States	1,408	1,271	1,161
Pacific Basin and Far East	381	393	309
Canada/Mexico	255	238	236
Europe	100	99	40
All other	18	30	71
Totals	$ 6,583	$ 5,809	$ 5,379

Management believes its allowance for doubtful accounts is adequate and reduces receivables recorded to their expected net realizable value. As of December 31, 2018 and 2017, Seaboard had approximately $327 million and $242 million, respectively, of foreign receivables, excluding receivables due from affiliates, which generally represent more of a collection risk than the domestic receivables, although as of December 31, 2018 no individual material amounts were deemed to have a heightened risk of collectability.

The following table provides a geographic summary of Seaboard's long-lived assets according to their physical location and primary port for the vessels:

(Millions of dollars)	December 31, 2018	2017
United States	$ 775	$ 784
Dominican Republic	109	114
Argentina	50	73
Senegal	48	—
Ivory Coast	36	—
All other	142	115
Totals	$ 1,160	$ 1,086

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SEABOARD CORPORATION
Stockholder Information

Board of Directors

Steven J. Bresky
Director and Chairman of the Board
President and Chief Executive Officer of Seaboard

David A. Adamsen
Director and Audit Committee Member
Former Vice President – Wholesale Sales of C&S Wholesale Grocers

Paul M. Squires
Director
Chief Operating Officer of Seaboard Flour LLC

Douglas W. Baena
Director and Audit Committee Chair
Self-employed, engaging in facilitation of equipment leasing financings and consulting

Edward I. Shifman, Jr.
Director and Audit Committee Member
Retired, former Managing Director and Executive Vice President of Wachovia Capital Finance

Officers

Steven J. Bresky
President and Chief Executive Officer

Robert L. Steer
Executive Vice President, Chief Financial Officer

David M. Becker
Senior Vice President, General Counsel and Secretary

James L. Gutsch
Senior Vice President, Engineering

Ralph L. Moss
Senior Vice President, Governmental Affairs

David S. Oswalt
Senior Vice President, Finance and Treasurer

David H. Rankin
Senior Vice President, Taxation and Business Development

Michael D. Trollinger
Vice President, Corporate Controller and Chief Accounting Officer

Ty A. Tywater
Vice President, Audit Services

Ivan J. Winfield Jr.
Vice President, Information Technology

Zachery J. Holden
Assistant Secretary

Adriana N. Hoskins
Assistant Treasurer

Chief Executive Officers of Principal Seaboard Operations

Darwin E. Sand
Pork

David M. Dannov
Commodity Trading and Milling

Edward A. Gonzalez
Marine

Hugo D. Rossi
Sugar and Alcohol

Armando G. Rodriguez
Power

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Independent Registered Public Accounting Firm

KPMG LLP
1000 Walnut Street, Suite 1100
Kansas City, Missouri 64106

Stock Listing

Seaboard's common stock is traded on the NYSE American under the symbol SEB. Seaboard had 2,177 stockholders of record of its common stock as of January 31, 2019.

Availability of Form 10-K Report

Seaboard files its annual report on Form 10-K with the Securities and Exchange Commission. Copies of the Form 10-K for fiscal 2018 are available without charge by writing Seaboard Corporation, 9000 West 67th Street, Merriam, Kansas 66202, Attention: Shareholder Relations or via the Internet at https://www.seaboardcorp.com/investors.

Seaboard provides access to its most recent Form 10-K, Form 10-Q and Form 8-K reports on its Internet website as soon as reasonably practicable after those reports are electronically filed with the Securities and Exchange Commission.

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Exhibit 21

SUBSIDIARIES OF THE REGISTRANT	NAMES UNDER WHICH SUBSIDIARIES DO BUSINESS	STATE OR OTHER JURISDICTION OF INCORPORATION
Aditor Food Group LLC*	Same	Delaware
Aditor Holdings LLC*	Same	Delaware
Aditor Inversiones, SRL*	Same	Dominican Republic
Africa Poultry Development Limited*	Same	Mauritius
African HHB Shipping Limited	Same	Bahamas
African Jacaranda Shipping Ltd.	Same	Liberia
African Joseph R Shipping Ltd.	Same	Liberia
African Juniper Shipping Ltd.	Same	Liberia
African Kalmia Shipping Limited	Same	Bahamas
African Lily Shipping Limited	Same	Bahamas
African Magnolia Shipping Limited	Same	Bahamas
African Ship Holdings Limited	Same	Bahamas
Agencia Maritima del Istmo, S.A.	Same	Costa Rica
Agencias Generales Conaven, C.A.	Conaven	Venezuela
AGG Plum Grove PTY Ltd*	Same	Australia
Agrigrain*	Same	Australia
Agro Industrielle Atlas S.A.*	Same	Morocco
Akdeniz Yaglari Sanayi ve Ticaret A.S.*	Same	Turkey
Alimaroc*	Same	Morocco
Alimentos SBF de Mexico S. de R.L. de C.V.	Same	Mexico
All Staple Food, S.A.	ASTA Food	Republic of Congo
Almacenajes del Istmo, S.A.	Same	Panama
Alpamsa*	Same	Chile
Alvem*	Same	Morocco
Arawak Cay Port Development Holdings Limited*	Same	Bahamas
Assessment Recoveries Limited*	Same	Jamaica
Atlas Couvoirs*	Same	Morocco
Bag Yagları Sanayi ve Ticaret A.S.*	Same	Turkey
Bagin Yag Sanayi Tesisleri Imalat ve Isletmeciligi Ticaret A.S.*	Same	Turkey
Baidat Al Atlas SARL*	Same	Morocco
Banchereau Maroc*	Same	Morocco
BB Colorado Holdings LLC	Same	Colorado
BB Kansas Holdings, Inc.	Same	Kansas
Beira Grain Terminal, S.A.	Same	Mozambique
Belarina Alimentos S.A.	Same	Brazil

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BINA Congo Limited*	Same	Bermuda
Blyvoor Bakery (Proprietary)Limited*	Same	Republic of South Africa
Bolux Group (Proprietary) Limited*	Same	Botswana
Borisniak Corp.	Same	Panama

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SUBSIDIARIES OF THE REGISTRANT	NAMES UNDER WHICH SUBSIDIARIES DO BUSINESS	STATE OR OTHER JURISDICTION OF INCORPORATION
Bultery S.A.*	Same	Uruguay
Butterball, LLC*	Same	North Carolina
Cape Fear Industries, Incorporated*	Same	North Carolina
Cape Fear Railways, Inc.	Same	North Carolina
Caravel Holdings LLC	Same	Delaware
Caribbean Gas Pipe, SAS*	Same	Dominican Republic
Caribbean Solar Solutions Ltd.*	Same	Bahamas
Carolina Food Ingredients, S. de R.L. de C.V.	Same	Mexico
Cayman Freight Shipping Services, Ltd.	Same	Cayman Islands
Cereoil Holding Company Corp.*	Same	Bahamas
Cereoil Uruguay S.A.*	Same	Uruguay
CESPM Holdings, Ltd.*	Same	Cayman Islands
CESPM International Ltd.*	Same	Cayman Islands
Chestnut Hill Farms Honduras, S. de R.L. de C.V.	Same	Honduras
Coastal Flour Milling (Proprietary) Limited*	Same	Republic of South Africa
Companhia Industrial da Matola*	Same	Mozambique
Compania Industrial de Productos Agropecuarios S.A.*	CIPA	Colombia
Compania Inversora de Salta, S.A.	Same	Argentina
CONEMY Holding Company, Ltd.	Same	Bermuda
ContiLatin del Peru S.A.*	Same	Peru
ContiSea Holding Cia. Ltda.*	Same	Ecuador
Corporacion Alto Valle, S.A.S.	ALVASA	Dominican Republic
Couvnord*	Same	Morocco
Daily's Holding Company, Inc.	Same	Delaware
Daily's Premium Meats, LLC*	Same	Delaware
Dalian Sino Fortune Trading Co., Ltd.	Same	China
Delta Packaging Company Ltd.*	Same	Nigeria
Despachos Portuarios Hispaniola, S.A.*	Same	Dominican Republic
Drieziek Bakery (PTY) Ltd.*	Same	Republic of South Africa
Eastern Premier Feed Mills Limited*	Same	Nigeria
Ecuador Holdings, Ltd*	Same	Bermuda
Ecu-Sec Holdings Ltd.*	Same	Bermuda
El Alf*	Same	Morocco
Eldin*	Same	Morocco
Ennsvalley Bakery Limited*	Same	Kenya
Eurafrique S.A.	Same	Monaco
Eureka Chickens Limited*	Same	Zambia

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Eurogerm South Africa (Pty) Ltd.*	Same	Republic of South Africa
Fairfield Rice Incorporated*	Same	Guyana
Feed and Food*	Same	Morocco
Fill-More Seeds Inc.	Same	Saskatchewan

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SUBSIDIARIES OF THE REGISTRANT	NAMES UNDER WHICH SUBSIDIARIES DO BUSINESS	STATE OR OTHER JURISDICTION OF INCORPORATION
Flour Mills of Ghana Limited	Same	Ghana
Franquicias Azucareras S.A.*	Same	Argentina
Gambia Milling Corporation Limited*	Same	The Gambia
Ghana Holdings Limited	Same	Bermuda
Glo Zambia Limited (fka National Baking & Milling Co. Ltd.)*	Same	Zambia
Globakeries (PTY) Limited*	Same	Republic of South Africa
Gloridge Bakery (PTY) Ltd.*	Same	Republic of South Africa
GMC Holdings Limited*	Same	Bahamas
Graderco*	Same	Morocco
Grand Moulins de Mauritanie S.A.*	Same	Mauritania
Grassmere Holdings Limited*	Same	Mauritius
Green Light Holdings LLC*	Same	Delaware
Greenlight Holding S.A.*	Same	Morocco
Guyana Rice Holdings Limited	Same	Bahamas
Guymon Extracts, Inc.*	Same	Oklahoma
H and O Shipping Limited[1]	Same	Liberia
Haiti Agro Processors Holdings, Ltd.*	Same	Cayman Islands
High Plains Bioenergy, LLC	Same	Oklahoma
High Plains Transport LLC	Same	Oklahoma
HPB - St. Joe Biodiesel LLC	Same	Missouri
HPB Biodiesel Inc.	Same	Oklahoma
HPF (Holdings) Limited*	Same	Zambia
Hybrid Poultry (Mauritius) Limited*	Same	Mauritius
Hybrid Poultry Farm (Zambia) Limited*	Same	Zambia
I.A.G. (Zambia) Limited	Same	Zambia
Ingenio Y Refineria San Martin del Tabacal S.R.L.	Tabacal	Argentina
Inmobiliaria SBF S. de R.L. de C.V.	Same	Mexico
InterAfrica Grains (Proprietary) Ltd.	Same	Republic of South Africa
InterAfrica Grains Ltd.	Same	Bermuda
Interchick Company Limited*	Same	Tanzania
Interra International, LLC*	Same	Delaware
Interra International Mexico, S. de R.L. de C.V.*	Same	Mexico
Interra Solutions, LLC*	Same	Mexico
Inversiones Cuenca, Ltda. de C.V.	Same	El Salvador
Inversiones y Servicios Diversos, S.A.	INVERSA	Guatemala
Jacintoport International LLC	Same	Texas

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Jamaica Grains and Cereals Limited*	Same	Jamaica
JP LP, LLC	Same	Delaware
Kenchic Unga Limited*	Same	Uganda
Kenchic Limited*	Same	Kenya

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Kenya Poultry Development Limited*	Same	Mauritius
Kingston Wharves Limited*	Same	Jamaica
KWABA – Sociedade Industrial e Comercial, SARL*	Same	Angola
La Compania de Electricidad de San Pedro de Macoris*	CESPM	Cayman Islands
Lafito Industrial Free Zone, S.A.*	Same	Haiti
Lafito Logistics Holdings, Ltd.*	Same	Bahamas
Les Grands Moulins d'Abidjan	Same	Ivory Coast
Les Grands Moulins de Dakar	Same	Senegal
Les Moulins d’Haiti S.E.M.*	Same	Haiti
Les Moulins de Madagascar, S.A.R.L.	Same	Madagascar
Lesotho Flour Mills Limited*	Same	Lesotho
Life Flour Mill Limited.*	Same	Nigeria
Life Shipping Company Limited*	Same	Nigeria
LMM Farine S.A.	Same	Madagascar
Maple Creek Farms, LLC	Same	Kansas
MAVI*	Same	Morocco
Merriam Financial Services, Ltd.	Same	Bermuda
Merriam International Finance, B.V.	Same	The Netherlands
Minoterie de Matadi S.A.R.L.*	Midema	Democratic Republic of Congo
Minoterie du Congo, S.A.	Minoco	Republic of Congo
Mission Funding L.L.C.	Same	Delaware
Mission Insurance Corporation	Same	Oklahoma
Mobeira, SARL	Same	Mozambique
Moderna Alimentos, S.A.*	Same	Ecuador
Moinho Carlos Guth S.A.	Same	Brazil
Molinos Champion, S.A.*	MOCHASA	Ecuador
Mount Dora Farms de Honduras, S.R.L.	Same	Honduras
Mount Dora Farms Inc.	Same	Florida
Mullan Mini, LLC*	Same	Montana
National Feed Company Limited	Same	Zambia
National Milling Company of Guyana, Inc.	Namilco	Guyana
National Milling Corporation Limited	Same	Zambia
Nolston S.A.*	Same	Uruguay
PAMSA Uruguay*	Same	Uruguay
Paramount Holdings Ltd.	Same	Bermuda
Paramount Mills (Pty) Ltd.*	Same	Republic of South Africa
Pativore	Same	Ivory Coast

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PFDIS*	Same	Morocco
Plum Grove PTY Ltd*	Same	Australia
Port Lafito, S.A.*	Same	Haiti
Premier Feeds Mills Company Limited*	Same	Nigeria

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Prize Milling (PTY) Ltd.*	Same	Republic of South Africa
Productores de Alcoholes y Melaza S.A.*	PAMSA	Argentina
Promograins*	Same	Morocco
PS International Canada Corp.	Same	Nova Scotia
PS International, LLC	Same	Delaware
PS International S.A.	Same	Argentina
PSI Canada Holdings, LLC	Same	Delaware
PSI Global Exports, Inc.	Same	Delaware
PSI Guyana Inc.	Same	Guyana
Rafael del Castillo & CIA, S.A.*	Molinos Tres Castillos	Colombia
Refined Coal Holdings LLC	Same	Kansas
Refined Coal Holdings 2 LLC	Same	Kansas
Representaciones Maritimas y Aereas S.A.	REMARSA	Guatemala
Royal Consulting Services (Proprietary) Limited*	Same	Republic of South Africa
RussellStone Protein (Pty) Ltd.*	Same	Republic of South Africa
S.B.D. LLC	Same	Delaware
SB Cayman Holdings Ltd.	Same	Cayman Islands
SB Power Solutions Inc.	Same	Delaware
SBD Power Holdings Ltd.	Same	Cayman Islands
Sea – Hawk, Inc.	Same	Kansas
Sea Cargo, S.A.	Same	Panama
Seaboard / DR Holdings, Ltd.	Same	Cayman Islands
Seaboard Africa Investments Limited	Same	Sierra Leone
Seaboard Atlantic Ltd.	Same	Liberia
Seaboard Botswana Holdings Limited	Same	Bahamas
Seaboard Brazil Holdings Ltd.	Same	Bermuda
Seaboard Bulk Services, Ltd.	Same	Bermuda
Seaboard Colombia, Ltd.	Same	Bermuda
Seaboard de Colombia, S.A.	Same	Colombia
Seaboard de Mexico USA LLC[2]	Same	Delaware
Seaboard de Nicaragua, S.A.	Same	Nicaragua
Seaboard Ecuador Limited	Same	Bermuda
Seaboard Farms of Athens, Inc.	Same	Kansas
Seaboard Farms of Elberton, Inc.	Same	Kansas
Seaboard Foods LLC	Same	Oklahoma
Seaboard Foods of Iowa, LLC	Same	Delaware
Seaboard Foods of Missouri, Inc.	Same	Missouri

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Seaboard Foods Services Inc.	Same	Kansas
Seaboard Freight & Shipping Jamaica Limited	Same	Jamaica
Seaboard Ghana Ltd.	Same	Bermuda

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Seaboard Grain of Iowa, LLC	Same	Iowa
Seaboard Guyana Ltd.	Same	Bermuda
Seaboard Holdings Ltd.	Same	British Virgin Islands
Seaboard Honduras S. de R.L. de C.V.	Same	Honduras
Seaboard Kansas Holdings, Inc.	Same	Kansas
Seaboard Latin America Holdings, Ltd.	Same	Bermuda
Seaboard Logistics, LLC	Same	Kansas
Seaboard Marine (Trinidad) Limited	Same	Trinidad
Seaboard Marine Bahamas, Ltd.	Same	Bahamas
Seaboard Marine Ltd.[3]	Same	Liberia
Seaboard Marine of Haiti S.A.	Same	Haiti
Seaboard Marine of Florida, Inc.	Same	Florida
Seaboard Minoco Ltd.	Same	Bermuda
Seaboard MOZ Limited	Same	Bermuda
Seaboard Overseas (IOM) Ltd.	Same	Isle of Man
Seaboard Overseas (Kenya) Limited	Same	Kenya
Seaboard Overseas Colombia Limitada	Same	Colombia
Seaboard Overseas Limited	Same	Bermuda
Seaboard Overseas Management Company, Ltd.	Same	Bermuda
Seaboard Overseas Singapore Pte. Ltd.	Same	Singapore
Seaboard Overseas Trading and Shipping (Proprietary) Limited	Same	Republic of South Africa
Seaboard Patriot Ltd.	Same	Liberia
Seaboard Power Management Inc.	Same	Florida
Seaboard Solutions de Honduras S.R.L.	Same	Honduras
Seaboard Solutions, Inc.	Same	Delaware
Seaboard Solutions of Haiti S.A.	Same	Haiti
Seaboard Special Crops India Private Limited	Same	India
Seaboard Sun Ltd.	Same	Liberia
Seaboard Trading and Shipping, Ltd.	Same	Kansas
Seaboard Transport Canada, Inc.	Same	Delaware
Seaboard Transport LLC	Same	Oklahoma
Seaboard Triumph Foods, LLC*	Same	Delaware
Seaboard Uruguay Holdings Limited	Same	Bahamas
Seaboard Venture Limited	Same	Bermuda
Seaboard Victory Ltd.	Same	Cayman Islands
Seaboard Voyager Ltd.	Same	Bermuda
Seaboard Zambia Ltd.	Same	Bermuda

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Seaboard Zambia Milling Holdings Ltd.	Same	Bahamas
SEADOM, S.A.S.	Same	Dominican Republic
SeaFin Holdings Limited	Same	Bermuda
SeaGold LLC*	Same	North Carolina

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SeaGrain Company	Same	Nova Scotia
SeaMaritima, S.A. de C.V.	Same	Mexico
SeaRice Caribbean Inc.	Same	Guyana
SeaRice Guyana, Inc.	Same	Guyana
SeaRice Limited	Same	Bermuda
Sea-Trade Specialized Commodities (PTY) Ltd.	Same	Republic of South Africa
Secuador Limited	Same	Bermuda
SEEPC (Nigeria) Ltd.	Same	Nigeria
Senegal Points Chauds S.A.*	Same	Senegal
Senegalaise de Pains S.A.*	Same	Senegal
Sermarin Servicios Maritimos Intermodales, C.A.	Same	Venezuela
Servicios SBF S. de R.L. de C.V.	Same	Mexico
Shawnee Funding, Limited Partnership	Same	Delaware
Shawnee GP, LLC	Same	Delaware
Shawnee Leasing LLC	Same	Oklahoma
Shawnee LP, LLC	Same	Delaware
Shilton Limited	Same	Cayman Islands
Shilton Zambia Ltd.*	Same	Zambia
Showlands Investments (Pty) Ltd.*	Same	Republic of South Africa
Societe Africaine de Developpement Industrielle Alimentaire, SARL*	SADIA	Democratic Republic of Congo
Societe Marocaine De Medicaments Veterinaires*	Same	Morocco
Societe Mediterraneenne de Transport	Same	Monaco
Societe Nouvelle d'Elevage de Dinde*	Same	Morocco
SSI Ocean Services, Inc.	Same	Florida
Stewart Southern Railway Inc.*	Same	Saskatchewan
STI Holdings Inc.	Same	Oklahoma
Sunglo Limited	Same	Bermuda
Sunrich Distributors (Pty) Limited*	Same	Republic of South Africa
Tanbreed Limited*	Same	Mauritius
Tanbreed Poultry Limited*	Same	Tanzania
TanFed Holdings Limited*	Same	Mauritius
Tanzania Breeders & Feedmills Limited*	Same	Tanzania
TFL Life Foods Limited	Same	Nigeria
Timberlands at Tomahawk LLC	Same	Delaware
Transcontinental Capital Corp. (Bermuda) Ltd.	TCCB	Bermuda
Transport Services Provider, S.A.*	Same	Costa Rica

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T-S Shared Operations, LLC*	Same	Missouri
Tsepong Bakery (Proprietary) Limited*	Same	Republic of South Africa
U.S. Rail Insurance Company*	Same	Vermont
Ugabreed Limited*	Same	Mauritius

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UMA Volailles S.R.L.*	Same	Morocco
Unga Farmcare (East Africa) Limited*	Same	Kenya
Unga Feeds Limited*	Same	Kenya
Unga Foods Limited*	Same	Kenya
Unga Group PLC*	Same	Kenya
Unga Holdings Limited*	Same	Kenya
Unga Investments Limited*	Same	Kenya
Unga Limited*	Same	Kenya
Unga Millers (Uganda) Limited*	Same	Uganda
United African Grain (IOM) Limited	Same	Isle of Man
United African Grain Limited	Same	Zambia
United African Grain Ltd.	Same	Bermuda
Verino Agro-Industries Limited*	Same	Zambia
Vinprom Carib Holdings Limited	Same	St. Lucia
Vinprom Holdings, LLC	Same	Delaware
Yarto Realty Holdings, L.P.	Same	Texas
YRH-GP, LLC	Same	Texas
Zalagh Volailes SARL*	Same	Morocco
Zalar Africa S.A.*	Same	Morocco
Zalar Holding S.A.*	Same	Morocco
Zalar Senegal SAU*	Same	Senegal
ZAM Tomato Limited	Same	Zambia
Zenith Investment Limited*	Same	Nigeria

1. Owns nine foreign ship holding company subsidiaries
2. Owns three Mexican incorporated subsidiaries
3. Owns four foreign ship holding company subsidiaries

* Represents a non-controlled, non-consolidated affiliate

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Exhibit 31.1

CERTIFICATIONS

I, Steven J. Bresky, certify that:

1. I have reviewed this annual report on Form 10-K of Seaboard Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: February 20, 2019

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

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Exhibit 31.2

CERTIFICATIONS

I, Robert L. Steer, certify that:

1. I have reviewed this annual report on Form 10-K of Seaboard Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: February 20, 2019

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

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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 annual report on Form 10-K for the fiscal year ended December 31, 2018 (the Report) by Seaboard Corporation (the Company), the undersigned, as the Chief Executive Officer of the Company, hereby certifies pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

Date: February 20, 2019

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

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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 annual report on Form 10-K for the fiscal year ended December 31, 2018 (the Report) by Seaboard Corporation (the Company), the undersigned, as the Chief Financial Officer of the Company, hereby certifies pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 20, 2019

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

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Document and Entity Information - USD ($)	12 Months Ended Dec. 31, 2018	Jan. 31, 2019	Jun. 30, 2018
Document and Entity Information			
Entity Registrant Name	SEABOARD CORP /DE/		
Entity Central Index Key	0000088121		
Document Type	10-K		
Document Period End Date	Dec. 31, 2018		
Amendment Flag	false		
Current Fiscal Year End Date	--12-31		
Entity Well-known Seasoned Issuer	No		
Entity Voluntary Filers	No		
Entity Current Reporting Status	Yes		
Entity Filer Category	Large Accelerated Filer		
Entity Small Business	false		
Entity Emerging Growth Company	false		
Entity Shell Company	false		
Entity Public Float			$ 1,033,744,133
Entity Common Stock, Shares Outstanding		1,167,771	
Document Fiscal Year Focus	2018		
Document Fiscal Period Focus	FY		

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Consolidated Statement of Comprehensive Income - USD ($) $ in Millions	12 Months Ended		
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016
Net sales:			
Total net sales	$ 6,583	$ 5,809	$ 5,379
Cost of sales and operating expenses:			
Total cost of sales and operating expenses	6,060	5,260	4,882
Gross income	523	549	497
Selling, general and administrative expenses	314	309	267
Operating income	209	240	230
Other income (expense):			
Interest expense	(44)	(29)	(29)
Interest income	11	15	15
Interest income from affiliates	3	22	24
Income (loss) from affiliates	(44)	(7)	81
Other investment income (loss), net	(152)	177	69
Foreign currency gains, net	4	14	2
Miscellaneous, net	(3)	(5)	(8)
Total other income (loss), net	(225)	187	154
Earnings (loss) before income taxes	(16)	427	384
Income tax expense	(1)	(181)	(70)
Net earnings (loss)	(17)	246	314
Less: Net loss (income) attributable to noncontrolling interests		1	(2)
Net earnings (loss) attributable to Seaboard	$ (17)	$ 247	$ 312
Earnings (loss) per common share	$ (14.61)	$ 211.01	$ 266.50
Other comprehensive income (loss), net of income tax benefit (expense) of $(2), $3, and $12:			
Foreign currency translation adjustment	$ (53)	$ (6)	$ (26)
Unrealized gain on investments		5	1
Unrecognized pension cost	3	(4)	(1)
Other comprehensive loss, net of tax	(50)	(5)	(26)
Comprehensive income (loss)	(67)	241	288
Less: Comprehensive loss (income) attributable to noncontrolling interests	1	1	(2)
Comprehensive income (loss) attributable to Seaboard	$ (66)	$ 242	$ 286
Average number of shares outstanding (in shares)	1,170,501	1,170,550	1,170,550
Dividends declared per common share (in dollars per share)	$ 6.00	$ 6.00	
Products			
Net sales:			
Total net sales	$ 5,334	$ 4,693	$ 4,334
Cost of sales and operating expenses:			
Total cost of sales and operating expenses	4,990	4,298	3,992
Services			
Net sales:			

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Total net sales	1,116	1,009	961
Cost of sales and operating expenses:			
Total cost of sales and operating expenses	971	879	822
Other			
Net sales:			
Total net sales	133	107	84
Cost of sales and operating expenses:			
Total cost of sales and operating expenses	$ 99	$ 83	$ 68

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Consolidated Statements of Comprehensive Income (Parenthetical) - USD ($) $ in Millions	12 Months Ended		
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016
Other comprehensive income (loss), income tax benefit (expense)	$ (2)	$ 3	$ 12
Products			
Sales to affiliates	1,282	1,123	993
Services			
Sales to affiliates	$ 12	$ 7	$ 8

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Consolidated Balance Sheets - USD ($) $ in Millions	Dec. 31, 2018	Dec. 31, 2017
Current assets:		
Cash and cash equivalents	$ 194	$ 116
Short-term investments	1,336	1,576
Receivables:		
Trade	392	299
Due from affiliates	111	120
Other	81	92
Total receivables	584	511
Allowance for doubtful accounts	(33)	(29)
Net receivables	551	482
Inventories	815	780
Prepaid expenses	55	94
Other current assets	76	80
Total current assets	3,027	3,128
Net property, plant and equipment	1,160	1,077
Investments in and advances to affiliates	804	851
Goodwill	167	22
Other intangible assets, net	69	2
Other non-current assets	80	81
Total assets	5,307	5,161
Current liabilities:		
Notes payable to banks	148	162
Current maturities of long-term debt	39	53
Accounts payable	218	256
Payables due to affiliates	20	16
Accrued compensation and benefits	123	118
Deferred revenue	39	47
Deferred revenue from affiliates	31	34
Accrued voyage costs	58	35
Other current liabilities	108	97
Total current liabilities	784	818
Long-term debt, less current maturities	739	482
Accrued pension liability	136	128
Deferred income taxes	127	112
Long-term income tax liability	73	111
Other liabilities and deferred credits	119	102
Total non-current liabilities	1,194	935
Commitments and contingent liabilities		
Stockholders' equity:		
Common stock of $1 par value. Authorized 1,250,000 shares; issued and outstanding 1,169,217 shares in 2018 and 1,170,550 shares in 2017	1	1

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Accumulated other comprehensive loss	(410)	(354)
Retained earnings	3,727	3,750
Total Seaboard stockholders' equity	3,318	3,397
Noncontrolling interests	11	11
Total equity	3,329	3,408
Total liabilities and stockholders' equity	$ 5,307	$ 5,161

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Condensed Consolidated Balance Sheets (Parenthetical) - $ / shares	Dec. 31, 2018	Dec. 31, 2017
Condensed Consolidated Balance Sheets		
Common stock, par value (in dollars per share)	$ 1	$ 1
Common stock, authorized shares	1,250,000	1,250,000
Common stock, issued shares	1,169,217	1,170,550
Common stock, outstanding shares	1,169,217	1,170,550

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Consolidated Statements of Cash Flows - USD ($) $ in Millions	12 Months Ended Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016
Cash flows from operating activities:			
Net earnings (loss)	$ (17)	$ 246	$ 314
Adjustments to reconcile net earnings (loss) to cash from operating activities:			
Depreciation and amortization	134	118	102
Deferred income taxes	(20)	39	47
Mandatory deemed repatriation tax	14	112	
Reserve on notes receivable from affiliate			16
Loss (income) from affiliates	44	7	(81)
Dividends received from affiliates	23	24	53
Other investment loss (income), net	152	(177)	(69)
Other, net	5	(9)	9
Changes in assets and liabilities, net of acquisitions:			
Receivables, net of allowance	(58)	(12)	18
Inventories	(34)	(21)	6
Prepaid expenses	31	(51)	(4)
Other current assets	11	(14)	12
Current liabilities, exclusive of debt	(22)	(25)	23
Other, net	(25)	8	(19)
Net cash from operating activities	238	245	427
Cash flows from investing activities:			
Purchase of short-term investments	(1,130)	(767)	(691)
Proceeds from sale of short-term investments	1,191	606	710
Proceeds from maturity of short-term investments	53	59	34
Capital expenditures	(162)	(173)	(158)
Proceeds from sale of fixed assets	5	5	47
Acquisition of businesses	(264)	(54)	(219)
Investments in and advances to affiliates, net	(26)	(87)	(71)
Notes receivable issued to affiliates		(2)	(13)
Principal payments received on notes receivable from affiliates	4	167	12
Purchase of long-term investments	(21)	(12)	(31)
Other, net	1	(8)	6
Net cash from investing activities	(349)	(266)	(374)
Cash flows from financing activities:			
Notes payable to banks, net		45	(25)
Proceeds from long-term debt	251	38	3
Principal payments of long-term debt	(46)	(17)	(5)
Repurchase of common stock	(5)		
Dividends paid	(7)	(7)	
Other, net	(3)	(1)	

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Net cash from financing activities	190	58	(27)
Effect of exchange rate changes on cash and cash equivalents	(1)	2	1
Net change in cash and cash equivalents	78	39	27
Cash and cash equivalents at beginning of year	116	77	50
Cash and cash equivalents at end of year	$ 194	$ 116	$ 77

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Consolidated Statements of Changes in Equity - USD ($) $ in Millions	Common Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Noncontrolling Interest	Total
Balances at Dec. 31, 2015	$ 1	$ (278)	$ 3,153	$ 6	$ 2,882
Comprehensive income (loss):					
Net earnings (loss)			312	2	314
Other comprehensive loss, net of tax		(26)			(26)
Addition to noncontrolling interests				5	5
Balances at Dec. 31, 2016	1	(304)	3,465	13	3,175
Comprehensive income (loss):					
Net earnings (loss)			247	(1)	246
Other comprehensive loss, net of tax		(5)			(5)
Reduction to noncontrolling interests				(1)	(1)
Dividends on common stock			(7)		(7)
Balances at Dec. 31, 2017	1	(354)	3,750	11	3,408
Increase (Decrease) in Stockholders' Equity					
Adoption of accounting guidance | ASU 2018-02		(45)	45		
Comprehensive income (loss):					
Net earnings (loss)			(17)		(17)
Other comprehensive loss, net of tax		(49)		(1)	(50)
Repurchase of common stock			(5)		(5)
Addition to noncontrolling interests				4	4
Reduction to noncontrolling interests			(1)	(3)	(4)
Dividends on common stock			(7)		(7)
Balances at Dec. 31, 2018	$ 1	(410)	3,727	$ 11	$ 3,329
Increase (Decrease) in Stockholders' Equity					
Adoption of accounting guidance | ASU 2016-01		$ (7)	$ 7		

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Consolidated Statements of Changes in Equity (parenthetical) - $ / shares	1 Months Ended	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2018	Dec. 31, 2017
Consolidated Statements of Changes in Equity			
Dividends on common stock (in dollars per share)	$ 12.00	$ 6.00	$ 6.00

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Summary of Significant Accounting Policies

Summary of Significant Accounting Policies

Summary of Significant Accounting Policies

12 Months Ended Dec. 31, 2018

Note 1 - Summary of Significant Accounting Policies

Operations of Seaboard Corporation and its Subsidiaries

Seaboard Corporation and its subsidiaries ("Seaboard") together comprise a diverse global agribusiness and transportation company. In the United States ("U.S."), Seaboard is primarily engaged in hog production and pork processing and ocean transportation. Overseas, Seaboard is primarily engaged in commodity merchandising, grain processing, sugar and alcohol production and electric power generation. Seaboard also has an equity method investment in Butterball, LLC ("Butterball"), a producer and processor of branded and non-branded turkey products. Approximately 76% of the outstanding common stock of Seaboard is collectively owned by Seaboard Flour LLC and SFC Preferred, LLC.

Principles of Consolidation and Investments in Affiliates

The consolidated financial statements include the accounts of Seaboard Corporation and its domestic and foreign subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. Investments in non-controlled affiliates where we have significant influence are accounted for by the equity method. Financial information from certain foreign subsidiaries and affiliates is reported on a one- to three-month lag, depending on the specific entity. As Seaboard conducts its agricultural commodity trading business with third parties, consolidated subsidiaries and affiliates on an interrelated basis, cost of sales on affiliates cannot be clearly distinguished without making numerous assumptions, primarily with respect to mark-to-market accounting for commodity derivatives.

Short-Term Investments

Short-term investments are retained for future use in the business. Investments held by Seaboard that are categorized as trading securities are reported at their estimated fair value with any unrealized gains and losses included in other investment income (loss), net in the consolidated statements of comprehensive income. Purchases and sales are recorded on a settlement date basis. Gains and losses on sales of investments are generally based on the specific identification method.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and generally do not bear interest. The Power segment, however, collects interest on certain past due accounts, and the Commodity Trading and Milling ("CT&M") segment provides extended payment terms for certain customers in certain countries due to local market conditions. The allowance for doubtful accounts is Seaboard's best estimate of the amount of probable credit losses. For most operating segments, Seaboard uses a specific identification approach to determine, in management's judgment, the collection value of certain past due accounts based on contractual terms. For the Marine segment, the allowance for doubtful accounts is based on an aging percentage methodology primarily based on historical write-off experience. Seaboard reviews its allowance for doubtful accounts monthly. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

(Millions of dollars)	Balance at beginning of year	Provision[1]	Net deductions[2]	Balance at end of year
Allowance for Doubtful Accounts:				
Year Ended December 31, 2018	$ 29	7	(3)	$ 33
Year Ended December 31, 2017	$ 14	16	(1)	$ 29
Year Ended December 31, 2016	$ 21	(1)	(6)	$ 14

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(1) During 2018, $7 million of the provision was charged to selling, general and administrative expenses. During 2017, $12 million of the provision was charged to selling, general and administrative expenses, $2 million to income from affiliates related to reserves on convertible notes and $2 million to cost of sales related to a rebate reserve.

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

Inventories

Seaboard uses the lower of last-in, first-out ("LIFO") cost or market for determining inventory cost of hogs, fresh pork products and related materials. Grain, flour and feed inventories at foreign milling operations are valued at the lower of weighted average cost and net realizable value. All other inventories are valued at the lower of first-in, first-out ("FIFO") cost and net realizable value.

Property, Plant and Equipment

Property, plant and equipment are carried at cost and are being depreciated on the straight-line method over useful lives, ranging from 3 to 30 years. Routine and planned major maintenance, repairs and minor renewals are expensed as incurred, while major renewals and improvements are capitalized. Property, plant and equipment and other long-lived assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are determined to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Notes Receivable

Seaboard monitors the credit quality of notes receivable, the majority of which are from its affiliates. For notes receivable from affiliates, Seaboard obtains and reviews financial information on a monthly basis and Seaboard representatives serve on their Board of Directors. If it is indicated based on current information and events it is probable that Seaboard will be unable to collect all amounts due according to the contractual terms of the notes receivable and an amount can be reasonably estimated, Seaboard reduces the notes receivable to estimated realizable value.

(Millions of dollars)	Balance at beginning of year	Provision	Net deductions	Balance at end of year
Allowance for Notes Receivable:				
Year Ended December 31, 2018	$ 16	1	—	$ 17
Year Ended December 31, 2017	$ 16	—	—	$ 16
Year Ended December 31, 2016	$ —	16	—	$ 16

Goodwill and Other Intangible Assets

Goodwill is assessed annually for impairment by each reporting unit at the quarter end closest to the anniversary date of the acquisition, or more frequently if circumstances indicate that impairment is likely. If qualitative factors indicate more likely than not an impairment is possible, Seaboard performs its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and would recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. Based on the annual assessment conducted by these reporting units, there were no impairment charges recorded for the year ended December 31, 2018. Any one event or a combination of events such as change in the business climate, a negative change in relationships with significant customers and changes to strategic decisions, including decisions to expand made in response to economic or competitive conditions, could require an interim assessment prior to the next required annual assessment.

The changes in the carrying amount of goodwill were as follows:

(Millions of dollars)	Pork Segment	CT&M Segment	Total

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Balance as of December 31, 2016	$ 18	$ 1	$ 19
Acquisition	—	3	3
Balance as of December 31, 2017	18	4	22
Acquisition	—	148	148
Foreign currency translation	—	(3)	(3)
Balance as of December 31, 2018	$ 18	$ 149	$ 167

Separable intangible assets with finite lives are amortized over their estimated useful lives. As of December 31, 2018, intangible assets were $69 million, net of accumulated amortization of $6 million and foreign currency translation of $3 million. The intangibles were as a result of a 2018 acquisition; there were no material intangible assets as of December 31, 2017. Amortization of intangible assets was $6 million for the year ended December 31, 2018. Using the exchange rates in effect at year-end, estimated amortization of intangible assets as of December 31, 2018 was as follows: $9 million in 2019, $9 million in 2020, $9 million in 2021, $9 million in 2022, $9 million in 2023 and $24 million thereafter.

Accrued Self-Insurance
Seaboard is self-insured for certain levels of workers' compensation, health care coverage, property damage, vehicle, product recall and general liability. The cost of these self-insurance programs is accrued based upon estimated settlements for known and anticipated claims. Changes in estimates to previously recorded reserves are reflected in current operating results.

Asset Retirement Obligation
Seaboard has recorded long-lived assets and a related liability for the asset retirement obligation costs associated with the closure of the hog lagoons it is legally obligated to close in the future should Seaboard cease operations or plan to close such lagoons voluntarily in accordance with a changed operating plan. Based on detailed assessments and appraisals obtained to estimate the future asset retirement obligation costs, Seaboard recorded the present value of the projected costs in non-current other liabilities in the consolidated balance sheets with the retirement asset depreciated over the economic life of the related asset. The following table shows the changes in the asset retirement obligation:

	Years ended December 31,	
(Millions of dollars)	2018	2017
Beginning balance	$ 22	$ 19
Accretion expense	1	2
Liability for additional lagoons placed in service	—	1
Ending balance	$ 23	$ 22

Income Taxes
Deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities.

Revenue Recognition
Seaboard recognizes revenue when control of the promised goods or services is transferred to its customers, in an amount that reflects the consideration it expects to receive in exchange for those goods or services. A performance obligation, the unit of account in Topic 606 *Revenue from Contracts with Customers* ("Topic 606"), is a promise in a contract to transfer a distinct good or service to the customer. The majority of Seaboard's revenue arrangements consist of a single performance obligation as the promise to transfer the individual product or service is not separately identifiable from other promises in the contracts, including shipping and handling and customary storage, and, therefore, not distinct. Seaboard's transaction prices are mostly fixed, but occasionally include minimal variable consideration for early payment, volume and other similar discounts, which are highly probable based on the history with the respective customers. Taxes assessed by a governmental authority that are collected by Seaboard from a customer are excluded from sales. See Note 12 for further revenue recognition details.

Use of Estimates

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The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") 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 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, potential write down related to investments in and advances to affiliates and notes receivable from affiliates, income taxes and accrued pension liability. Actual results could differ from those estimates.

Earnings Per Common Share

Earnings per common share are based upon the weighted average shares outstanding during the period. Basic and diluted earnings per share are the same for all periods presented.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, management considers all demand deposits, overnight investments and other investments with original maturities less than three months as cash equivalents. The following table shows the cash paid for interest and income taxes:

	Years ended December 31,		
(Millions of dollars)	2018	2017	2016
Interest, net of interest capitalized	$ 43	$ 30	$ 29
Income taxes, net of refunds	35	32	31

Supplemental Non-Cash Transactions

In conjunction with the January 2018 acquisition discussed further in Note 2, Seaboard incurred debt consisting of a $46 million note payable and contingent consideration with an estimated fair value of $14 million at the time of acquisition.

On October 28, 2016, Seaboard obtained control of Belarina Alimentos S.A., a flour production business in Brazil ("Belarina"). No cash or other consideration was transferred to the other shareholder whose ownership was diluted through revision of the shareholders agreement to restructure the affiliate debt and equity of Belarina. See Note 2 for the purchase price allocation table and other details.

Foreign Currency Transactions and Translation

Seaboard has operations in several foreign countries, and the currencies of the countries fluctuate in relation to the U.S. dollar. Certain of the major contracts and transactions, however, are denominated in U.S. dollars. In addition, the value of the U.S. dollar fluctuates in relation to the currencies of countries where certain of Seaboard's foreign subsidiaries and affiliates primarily conduct business. These fluctuations result in exchange gains and losses. The activities of these foreign subsidiaries and affiliates are primarily conducted with U.S. subsidiaries or operate in hyper-inflationary environments. As a result, the financial statements of certain foreign subsidiaries and affiliates are re-measured using the U.S. dollar as the functional currency.

Certain CT&M segment consolidated subsidiaries located in Brazil, Canada, Guyana, Ivory Coast, Senegal and Zambia use local currency as their functional currency. Also, certain non-controlled, non-consolidated affiliates of the CT&M and Sugar and Alcohol segments use local currency as their functional currency. Assets and liabilities of these subsidiaries are translated to United States dollars at year-end exchange rates, and income and expenses are translated at average rates. Translation gains and losses are recorded as components of other comprehensive income (loss). For the consolidated subsidiaries and non-consolidated affiliates, U.S. dollar denominated net asset or liability conversions to the local currency are recorded through income.

GAAP requires the use of highly inflationary accounting for countries whose cumulative three-year inflation exceeds 100%. In the second quarter of 2018, the Argentine peso rapidly devalued relative to the U.S. dollar, which along with increased inflation, indicated that the three-year cumulative inflation in that country exceeded 100%. As a result, Seaboard adopted highly inflationary accounting as of July 1, 2018, for Seaboard's Sugar and Alcohol segment. Under highly inflationary accounting, the Sugar and Alcohol segment's functional currency became the U.S. dollar, and its income statement and balance sheet were measured in U.S. dollars using both current and historical rates of exchange. The effect of changes in exchange rates on peso-

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denominated monetary assets and liabilities are reflected in foreign currency gains (losses), net. For the year ended December 31, 2018, Seaboard recognized $9 million in foreign currency gains related to the adoption of highly inflationary accounting as a result of its net monetary liability position.

Derivative Instruments and Hedging Activities

Seaboard recognizes all derivatives as either assets or liabilities at their fair values. Accounting for changes in the fair value of a derivative depends on its designation and effectiveness. Derivatives qualify for treatment as hedges for accounting purposes when there is a high correlation between the change in fair value of the instrument and the related change in value of the underlying commitment. Additionally, in order to designate a derivative financial instrument as a hedge for accounting purposes, extensive record keeping is required. For derivatives that qualify as hedges for accounting purposes, the change in fair value has no net impact on earnings, to the extent the derivative is considered effective, until the hedged transaction affects earnings. For derivatives that are not designated as hedging instruments for accounting purposes, or for the ineffective portion of a hedging instrument, the change in fair value affects current period net earnings.

Seaboard uses derivative instruments to manage various types of market risks, including primarily commodity futures and option contracts, foreign currency exchange agreements, interest rate exchange agreements and equity future contracts. While management believes each of these instruments are primarily entered into in order to effectively manage various market risks, as of December 31, 2018, none of the derivatives were designated and accounted for as hedges, primarily as a result of the extensive record-keeping requirements. From time to time, Seaboard also enters into speculative derivative transactions not directly related to its raw materials requirements.

Recently Issued Accounting Standards Adopted

On January 1, 2018, Seaboard adopted guidance that developed a single, comprehensive revenue recognition model for all contracts with customers using the cumulative effect transition method. The adjustment to opening retained earnings, which only included the impact of contracts that were not completed at the date of adoption, was less than $1 million. All of Seaboard's equity method investments must adopt the new standard by December 31, 2019. See Note 12 for additional details on the impact of adopting this new accounting standard.

On January 1, 2018, Seaboard adopted guidance that requires the service cost component of net periodic benefit cost to be presented in the same income statement line item as other employee compensation costs arising from services rendered during the period. Only the service cost component is eligible for capitalization in inventory. The other components of net periodic benefit cost are presented outside of operating income and are not capitalizable. For the years ended December 31, 2017 and 2016, $8 million of net periodic benefit cost was reclassified from selling, general and administrative expenses to miscellaneous, net below operating income. Seaboard elected to apply the practical expedient to estimate amounts for comparative periods.

On January 1, 2018, Seaboard adopted guidance that eliminated cost method accounting and requires measuring equity investments, other than those accounted for using the equity method of accounting, at fair value and recognizing fair value changes in net income if a readily determinable fair value exists. On January 1, 2018, $7 million of accumulated other comprehensive loss was reclassified to retained earnings by means of a cumulative effect adjustment, and all future gains/losses on these equity investments is reflected in other investment income (loss), net. As of January 1, 2018, Seaboard had minimal investments without readily determinable fair values, which will be recorded at cost, less impairment, and plus or minus subsequent adjustments for observable price changes.

Recently Issued Accounting Standard Not Yet Adopted

In February 2016, the Financial Accounting Standards Board ("FASB") issued guidance that a lessee should record a right-of-use ("ROU") asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are to be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The recognition, measurement, and presentation of expenses and cash flows arising from a financing lease have not significantly changed from the previous guidance. For operating leases, a lessee is required to: (1) recognize a ROU asset and a lease liability, initially measured at the present value of the lease payments, in the balance sheet, (2) recognize a single lease cost, calculated so

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that the cost of the lease is allocated over the lease term on a generally straight-line basis; and (3) classify all cash payments within operating activities in the statement of cash flows. Seaboard will adopt this guidance on January 1, 2019, for all consolidated subsidiaries and plans to apply most practical expedients and the optional transition relief issued in July 2018 that permits the recognition and measurement of leases at the date of adoption. Therefore, Seaboard will not restate comparative period financial information for the effects of this accounting standard. While Seaboard continues its process of assessing its leases and evaluating the effects this guidance will have on its consolidated financial statements, Seaboard expects the adoption will increase its assets approximately $460 million and its liabilities approximately $500 million for operating lease ROU assets and liabilities. Seaboard believes the most significant effects will relate to the recognition of new ROU assets and lease liabilities on its balance sheet for port and contract grower operating leases. Seaboard is in the process of implementing a new lease accounting system and evaluating its processes and internal controls. See Note 8 for information about Seaboard's lease obligations.

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Acquisitions

Acquisitions

Acquisitions

12 Months Ended
Dec. 31, 2018

Note 2 - Acquisitions

On January 5, 2018, Seaboard's CT&M segment acquired substantially all of the outstanding common shares of Borisniak Corp., Les Grands Moulins d'Abidjan, Les Grands Moulins de Dakar, Eurafrique, and Societe Mediterraneenne de Transport, collectively operating as Groupe Mimran ("Mimran"). Mimran operates three flour mills and an associated grain trading business located in Senegal, Ivory Coast and Monaco. This acquisition increased Seaboard's flour and feed milling capacity and annual grain trading volume.

The total purchase price for this acquisition based on the acquisition date fair values and using the exchange rate in effect at the time of acquisition, was $324 million consisting of:

(Millions of dollars)	Fair Value	
Cash payment, net of $64 million of cash acquired	$	264
Euro-denominated note payable due 2021, 3.25% interest		46
Contingent consideration		14
Total fair value of consideration at acquisition date	$	324

See Note 7 for further description of the note payable. The fair value of the contingent consideration, classified in other non-current liabilities in the consolidated balance sheet, is dependent on the probability of Mimran 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, at the discretion of the sellers.

In the fourth quarter of 2018, Seaboard finalized its preliminary purchase price allocation. As a result of third-party valuations of tangible and intangible assets, property, plant and equipment increased $34 million, intangible assets decreased $22 million and goodwill decreased $13 million. Depreciation and amortization expense were not materially impacted by the change.

The final purchase was recorded at fair value and allocated as follows:

(Millions of dollars)	Fair Value	
Current assets	$	83
Property, plant and equipment		91
Intangible assets		78
Goodwill		148
Other long-term assets		4
Total fair value of assets acquired		404
Current liabilities		(38)
Other long-term liabilities		(38)
Total fair value of liabilities assumed		(76)
Less: Noncontrolling interest		(4)
Net fair value of assets acquired	$	324

The intangible assets include $28 million allocated to trade names, amortizable over 9 years, and $50 million allocated to customer relationships, amortizable over 9 years. Goodwill represents Mimran's market presence and its experienced workforce. The intangible assets and goodwill are not deductible for income tax purposes.

Certain Mimran entities acquired are accounted for on a three-month lag and use local currency as their functional currency. Translation gains and losses are recorded as components of other comprehensive income (loss). For the year ended December 31, 2018, net sales of $247 million and net earnings of $17 million were recognized in Seaboard's consolidated financial statements

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from the date of acquisition. Acquisition costs, incurred primarily in 2017, of $2 million were expensed in selling, general and administrative expenses.

The following unaudited pro forma information presents the combined consolidated financial results for Seaboard as if the acquisition had been completed at January 1, 2017:

(Unaudited) *(Millions of dollars except per share amounts)*	Year ended December 31, 2018	Year ended December 31, 2017
Net sales	$ 6,643	$ 6,095
Net earnings (loss)	$ (13)	$ 272
Earnings (loss) per common share	$ (10.90)	$ 233.45

On August 30, 2017, Seaboard's Pork segment acquired hog inventory and hog farms in the central U.S. from New Fashion Pork, LLP for total cash consideration of $40 million. This acquisition provides additional sows to further increase Seaboard's capacity to fulfill its hog supply commitment for processing at the Seaboard Triumph Foods, LLC ("STF") processing plant located in Sioux City, Iowa, which began operations in September 2017. See Note 6 for further information on STF.

The purchase was recorded at fair value in Seaboard's Pork segment, and the allocation of the purchase price is below. No material intangible assets were identified.

(Millions of dollars)	
Inventories	$ 6
Property, plant and equipment	34
Total consideration transferred	$ 40

Operating results have been included in Seaboard's consolidated financial statements from the date of acquisition. There was no material impact to Seaboard's sales and net earnings as a result of the purchase. Acquisition costs were less than $1 million.

During the first quarter of 2017, Seaboard's CT&M segment acquired a pulse and grain elevator business in Canada for total cash consideration of $14 million. This business, which complements an existing CT&M business in Canada, is expected to increase the trade volumes of pulses, which include commodities of beans, peas and lentils. The purchase was recorded at fair value with $11 million allocated to property, plant and equipment and $3 million allocated to goodwill. Goodwill represents the assembled workforce, cost savings of buying rather than developing a greenfield operation and the close proximity of this elevator to the producers in the region. The goodwill is deductible for income tax purposes. Operating results have been included in Seaboard's consolidated financial statements from the date of acquisition. Acquisition costs were less than $1 million.

On September 1, 2016, Seaboard's Pork segment acquired certain assets of Texas Farm, LLC for total cash consideration of $59 million. Texas Farm, LLC was a hog growing operation with hog inventory, hog farms and a feed mill located in Texas. The additional hog production allows Seaboard to expand and realign its hog production in other states to supply its Oklahoma pork processing plant and the STF pork processing plant in Iowa.

The purchase was recorded at fair value in Seaboard's Pork segment, and the allocation of the purchase price is below. Goodwill is primarily attributable to workforce and the benefits of acquiring an existing operation rather than incurring the costs and time to begin a new hog operation.

(Millions of dollars)	
Inventories	$ 16
Property, plant and equipment	42
Goodwill	3
Accounts payable	(2)

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Total consideration transferred	$	59

Operating results have been included in Seaboard's consolidated financial statements from the date of acquisition. Net sales of $4 million and a $2 million net loss were recognized during 2016. Acquisition costs were less than $1 million.

On February 7, 2016, Seaboard's Pork segment acquired hog inventory, a feed mill, truck washes and certain hog farms in the central U.S. from Christensen Farms & Feedlots, Inc. and Christensen Farms Midwest, LLC ("Christensen Farms") for total cash consideration of $148 million. Seaboard had previously agreed to provide a portion of the hogs to be processed at the STF pork processing plant.

The purchase was recorded at fair value in Seaboard's Pork segment, and the allocation of the purchase price is below. Intangible assets include customer relationships that have a weighted-average useful life of 1.6 years. Goodwill represents the farms' established processes, workforce and close proximity to the Sioux City, Iowa, processing plant.

(Millions of dollars)		
Inventories	$	33
Property, plant and equipment		111
Intangible assets		1
Goodwill		3
Total consideration transferred	$	148

Operating results have been included in Seaboard's consolidated financial statements from the date of acquisition. Net sales of $119 million and a $5 million net loss were recognized during 2016. Acquisition costs were less than $1 million.

During the last half of 2016, Seaboard's Pork segment acquired additional hog inventory and sow farms through three additional acquisitions for total cash consideration of $12 million. The purchases were recorded at fair value, and $1 million and $11 million were allocated to inventories and property, plant and equipment, respectively. No material intangible assets were identified, and acquisition costs were less than $1 million. With these purchases, Seaboard increased its sow herd to meet the majority of its hog supply commitment for single-shift processing at the STF plant.

On October 28, 2016, Seaboard's CT&M segment increased its ownership percentage from 50% to 98% to obtain control of Belarina Alimentos S.A., a flour production business in Brazil ("Belarina"). No cash or other consideration was transferred to the other shareholder whose ownership was diluted through revision of the shareholders agreement to restructure the affiliate debt and equity of Belarina. Seaboard accounted for the transaction as a business combination achieved in stages and included the financial results of Belarina in its consolidated financial statements since the date of acquisition. See Note 6 for a discussion of the previous equity method of accounting for Belarina. As Belarina is recorded on a three-month lag, there was no impact to Seaboard's sales and net earnings for the year ended December 31, 2016, as a result of the consolidation. Since no consideration was transferred to the other owner, Seaboard substituted the acquisition-date fair value of its 50% pre-existing interest in Belarina and the acquisition-date fair value of its pre-existing affiliate trade and note receivable for the acquisition-date fair value of the consideration transferred to measure goodwill.

The following table summarizes the purchase price allocation resulting from this consolidation:

(Millions of dollars)		
Accounts receivable	$	7
Inventories		6
Property, plant and equipment		25
Other assets		4
Goodwill		1
Third-party debt		(14)
Other liabilities		(11)
Total business valuation	$	18
Fair value of pre-existing interest	$	18

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The valuation of the noncontrolling interest was immaterial. Goodwill primarily represents the assembled workforce. Seaboard recorded a gain of $4 million in bad debt expense within selling, general and administrative expenses in the consolidated statement of comprehensive income, related to recognizing the fair value of its pre-existing affiliate receivables. During the fourth quarter of 2018, Seaboard acquired the remaining 2% for minimal consideration.

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Investments	12 Months Ended Dec. 31, 2018

Investments

Investments

Note 3 - Investments

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

	December 31,	
	2018	2017
(Millions of dollars)	Fair Value	Fair Value
Domestic equity securities	$ 632	$ 752
Domestic debt securities	268	439
Foreign equity securities	218	319
Money market funds held in trading accounts	146	10
Collateralized loan obligations	28	29
High yield securities	19	21
Foreign debt securities	16	—
Term deposits	9	—
Other trading securities	—	6
Total trading short-term investments	$ 1,336	$ 1,576

The change in unrealized gains (losses) related to trading securities still held at the end of the respective reporting period was $(110) million, $146 million and $49 million for the years ended December 31, 2018, 2017 and 2016, respectively.

Seaboard had $66 million of equity securities denominated in foreign currencies as of December 31, 2018, with $25 million in euros, $20 million in Japanese yen, $9 million in the British pound, $3 million in the Swiss franc and the remaining $9 million in various other currencies. Seaboard had $114 million of equity securities denominated in foreign currencies as of December 31, 2017, with $48 million in euros, $25 million in Japanese yen, $20 million in the British pound, $6 million in the Swiss franc and the remaining $15 million in various other currencies. Also, money market funds included $10 million and less than $1 million denominated in various foreign currencies as of December 31, 2018 and 2017, respectively. Term deposits are denominated in the West African franc.

In addition to its short-term investments, Seaboard also has trading securities related to Seaboard’s deferred compensation plans classified in other current assets in the consolidated balance sheets. See Note 10 for information on the types of trading securities held related to the deferred compensation plans. See Note 9 for a discussion of assets held in conjunction with investments related to Seaboard’s defined benefit pension plan.

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Inventories	12 Months Ended Dec. 31, 2018

Inventories

Inventories

Note 4 - Inventories

The following table is a summary of inventories at the end of each year:

(Millions of dollars)	December 31, 2018	2017
At lower of LIFO cost or market:		
Hogs and materials	$ 361	$ 313
Fresh pork and materials	36	28
LIFO adjustment	(58)	(31)
Total inventories at lower of LIFO cost or market	339	310
At lower of FIFO cost and net realizable value:		
Grains, oilseeds and other commodities	229	253
Sugar produced and in process	17	38
Other	81	90
Total inventories at lower of FIFO cost and net realizable value	327	381
Grain, flour and feed at lower of weighted average cost and net realizable value	149	89
Total inventories	$ 815	$ 780

The use of the LIFO method for certain inventories of the Pork segment decreased net earnings $20 million ($16.87 per common share) and $6 million ($5.40 per common share) for the years ended December 31, 2018 and 2017, respectively. Net earnings increased $5 million ($3.92 per common share) for the year ended December 31, 2016. If the FIFO method had been used for all inventories of the Pork segment, inventories would have been higher $58 million and $31 million as of December 31, 2018 and 2017, respectively. The LIFO valuation reserve activity for 2018, 2017 and 2016 is as follows:

(Millions of dollars)	Balance at beginning of year	Increase (decrease)	Balance at end of year
Reserve for LIFO Valuation:			
Year Ended December 31, 2018	$ 31	27	$ 58
Year Ended December 31, 2017	$ 21	10	$ 31
Year Ended December 31, 2016	$ 28	(7)	$ 21

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Net Property, Plant and Equipment	12 Months Ended Dec. 31, 2018

Net Property, Plant and Equipment

Net Property, Plant and Equipment

Note 5 - Net Property, Plant and Equipment

The following table is a summary of property, plant and equipment at the end of each year:

(Millions of dollars)	Useful Lives	December 31, 2018	2017
Land and improvements	3 - 15 years	$ 238	$ 224
Buildings and improvements	30 years	591	525
Machinery and equipment	3 - 20 years	1,298	1,253
Vessels and vehicles	3 - 18 years	147	136
Office furniture and fixtures	5 years	36	34
Construction in progress		96	56
		2,406	2,228
Accumulated depreciation and amortization		(1,246)	(1,151)
Net property, plant and equipment		$ 1,160	$ 1,077

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Investments in and Advances to Affiliates and Notes Receivable from Affiliates

12 Months Ended

Dec. 31, 2018

Investments in and Advances to Affiliates and Notes Receivable from Affiliates

Investments in and Advances to Affiliates and Notes Receivable from Affiliates

Note 6 - Investments in and Advances to Affiliates and Notes Receivable from Affiliates

Seaboard has several investments in and advances to non-controlled, non-consolidated affiliates that are all accounted for using the equity method of accounting. Financial information from certain foreign affiliates is reported on a one- to three-month lag, depending on the specific entity.

Pork Segment	December 31,		
(Millions of dollars)	2018	2017	2016
Net sales	$ 927	$ 441	$ 319
Net income (loss)	$ (60)	$ (21)	$ 22
Total assets	$ 623	$ 596	$ 364
Total liabilities	$ 243	$ 138	$ 14
Total equity	$ 380	$ 458	$ 350

The Pork segment has a 50% noncontrolling interest in Daily's Premium Meats, LLC ("Daily's") and STF. Daily's produces and markets raw and pre-cooked bacon. STF operates a new pork processing plant, which began operations in September 2017. Combined condensed financial information of these entities for each of Seaboard's years ended is included in the table above.

Seaboard and Triumph Foods, LLC ("Triumph") formed STF in May 2015 with equal ownership of 50%. In connection with the development and operation of the plant, Seaboard contributed $73 million and $51 million during 2017 and 2016, respectively. Also, Seaboard agreed to provide a portion of the hogs to be processed at the plant. The Pork segment currently has a business relationship with Triumph under which Seaboard markets substantially all of the pork products produced at Triumph's plant in Missouri and STF's plant in Iowa. In addition to supplying raw materials and providing marketing services to these affiliates, the Pork segment also transferred fixed assets and other costs totaling $14 million in 2017 related to an enterprise resource planning system that is used by Seaboard, Triumph, Daily's and STF.

Commodity Trading and Milling Segment	December 31,		
(Millions of dollars)	2018	2017	2016
Net sales	$ 3,238	$ 2,907	$ 2,871
Net income (loss)	$ (13)	$ 23	$ (6)
Total assets	$ 1,914	$ 1,793	$ 1,201
Total liabilities	$ 1,242	$ 1,150	$ 734
Total equity	$ 672	$ 643	$ 467

The CT&M segment has noncontrolling interests in foreign businesses conducting flour, maize and feed milling, baking operations, poultry production and processing, and agricultural commodity trading. Combined condensed financial information of these entities for each of Seaboard's years ended is included in the table above. As of December 31, 2018, the location and percentage ownership of CT&M's affiliates were as follows: Botswana (49%), Democratic Republic of Congo ("DRC") (50%), Gambia (50%), Kenya (46.64%-49%), Lesotho (50%), Mauritania (50%), Morocco (11.44%-17.08%), Nigeria (25%-48.33%), Senegal (49%), South Africa (30%-50%), Tanzania (49%) and Zambia (49%) in Africa; Colombia (40%-42%), Ecuador (25%-50%), Guyana (50%), and Peru (50%) in South America; Jamaica (50%) and Haiti (23.33%) in the Caribbean; Turkey (25%) in Europe; Australia (22.5%-25%); and Canada (45%) and the U.S. (40%) in North America. As of December 31, 2018, Seaboard's carrying value of certain of CT&M segment's investments in affiliates was more than its share of the affiliates' book value by $57 million. The excess is attributable primarily to the valuation of property, plant and equipment and intangible

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assets. The amortizable assets are being amortized to income (loss) from affiliates over the remaining life of the assets.

During 2018, Seaboard's CT&M segment acquired a 50% noncontrolling interest in a grain trading and flour milling business in Mauritania for total consideration of $16 million. The investment amount is subject to change dependent upon resolution of certain contingencies. The investment is accounted for using the equity method of accounting and reported on a three-month lag. Seaboard's first proportionate share of this affiliate's income (loss) was recognized in the second quarter of 2018.

During 2017, the CT&M segment invested an additional $7 million in a grain trading and poultry business in Morocco. This investment increased Seaboard's ownership interest in that business to 19.4% and, as a result, Seaboard changed its accounting method from the cost method to equity method effective on the date of the additional investment. This investment is reported on a three-month lag basis, and therefore Seaboard's first proportionate share of earnings from this investment was recognized in the third quarter of 2017.

The CT&M segment has a 50% noncontrolling interest in a bakery located in the DRC. Seaboard's investment balance is zero. As part of its original investment, Seaboard has an interest bearing long-term note receivable from this affiliate that had a principal and interest balance of approximately $8 million and $15 million, net of reserves, as of December 31, 2018 and 2017, respectively, all classified as long-term in other non-current assets given uncertainty of the timing of payments in the future. The note receivable, $32 million excluding accrued interest, is 50% guaranteed by the other shareholder in the entity. Based on continued operating losses and revised cash flow forecasts, Seaboard reserved $16 million in bad debt expense within selling, general and administrative expenses in the consolidated statement of comprehensive income for the year ended December 31, 2016. There was no tax benefit from this transaction. Seaboard recorded this entity's current period losses of $7 million and $4 million against the note receivable for the year ended December 31, 2018 and 2017, respectively. In September 2017, Seaboard reached an agreement to amend the note to further extend the term and match payments to cash flow estimates. If the future long-term cash flows of this bakery do not improve, more of the recorded value of the note receivable from affiliate could be deemed uncollectible in the future, which could result in a further charge to earnings.

The CT&M segment had a 50% noncontrolling interest in Belarina, a flour production business in Brazil, which it accounted for using the equity method of accounting prior to October 28, 2016, the date Seaboard obtained 98% of the equity ownership and control of Belarina. Seaboard accounted for this transaction as a business combination achieved in stages as discussed further in Note 2 to the consolidated financial statements. As an equity method affiliate, Seaboard had contributed a total of $63 million in investments and advances and a $13 million long-term loan, including investment and advances and pay-in-kind interest accretion totaling $14 million for the year ended December 31, 2016. Seaboard recorded total losses from affiliate, which included reserves of $10 million related to this investment in 2016, and currency translation adjustment losses included in other comprehensive income (loss) of $(4) million. Due to the extent of losses, Seaboard had previously fully reserved all advances and long-term receivable, and as such, Seaboard's investment, advances and long-term note receivable were zero. Seaboard also had a gross trade receivable due from Belarina related to sales of grain and supplies. The net trade receivable balance was effectively settled as the entity is now consolidated.

During 2016, the CT&M segment provided a $12 million loan to a Peruvian affiliate. The Peruvian affiliate repaid the loan later that same year.

Marine Segment	December 31,		
(Millions of dollars)	2018	2017	2016
Net sales	$ 66	$ 58	$ 47
Net income	$ 11	$ 5	$ 7
Total assets	$ 272	$ 229	$ 277
Total liabilities	$ 133	$ 114	$ 109
Total equity	$ 139	$ 115	$ 168

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The Marine segment has a 21% noncontrolling interest in a cargo terminal business in Jamaica and a 36% noncontrolling interest in a holding company that owns a Caribbean terminal operation. Combined condensed financial information of these entities for each of Seaboard's years ended is included in the table above. As of December 31, 2018, Seaboard's carrying value of certain of Marine segment's investments in affiliates was less than its share of the affiliates' book value by $26 million. The difference is attributable primarily to the valuation of property, plant and equipment and impairments taken by Seaboard, but not the respective entity. Both investments are reported on a three-month lag.

During 2016, the Marine segment invested $7 million of cash and converted an $8 million note receivable to equity in the Caribbean terminal operation. During 2017, the holding company's terminal operations encountered the loss of a customer and defaulted on certain third-party debt obligations. In addition, third-party engineering studies identified significant unexpected construction modifications needed for the terminal operation. As a result, Seaboard evaluated its investment in affiliate and receivables for impairment and recorded a $5 million charge on its investment, a $1 million charge on its convertible note receivable and a $3 million allowance on its affiliate receivables. The holding company is investigating various strategic alternatives, such as additional capital calls, refinancing of the third-party debt and restructuring of the affiliate equity and receivables, which includes the deferral of all affiliated receivable payments until such future time as cash flow is sufficient to pay all third-party debt. If future long-term cash flows do not improve, there is a possibility that there could be additional charges.

Sugar and Alcohol Segment	December 31,		
(Millions of dollars)	2018	2017	2016
Net sales	$ 5	$ 10	$ 10
Net income	$ 3	$ 2	$ 3
Total assets	$ 10	$ 10	$ 10
Total liabilities	$ 2	$ 2	$ 2
Total equity	$ 8	$ 8	$ 8

The Sugar and Alcohol segment has two noncontrolling interests in sugar-related businesses in Argentina (46% and 50%, respectively). Combined condensed financial information of these entities for each of Seaboard's years ended is included in the table above.

Power Segment	December 31,		
(Millions of dollars)	2018	2017	2016
Net sales	$ 138	$ 105	$ 146
Net income	$ 33	$ 23	$ 14
Total assets	$ 247	$ 265	$ 261
Total liabilities	$ 139	$ 145	$ 175
Total equity	$ 108	$ 120	$ 86

The Power segment has a 29.9% noncontrolling interest in an electricity generating facility and two smaller energy-related businesses (45% and 50%, respectively), all in the Dominican Republic. Combined condensed financial information of these entities for each of Seaboard's years ended is included in the table above. During 2018 and 2016, Seaboard received dividends of $18 million and $9 million, respectively, from the electricity generating facility.

Turkey Segment	December 31,		
(Millions of dollars)	2018	2017	2016
Net sales	$ 1,591	$ 1,670	$ 1,813
Operating income (loss)	$ (16)	$ 15	$ 162
Net income (loss)	$ (30)	$ (8)	$ 139
Total assets	$ 1,072	$ 999	$ 1,154
Total liabilities	$ 502	$ 400	$ 529
Total equity	$ 570	$ 599	$ 625

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The Turkey segment represents Seaboard's 50% noncontrolling interest in Butterball, LLC ("Butterball"), a vertically integrated producer and processor of branded and non-branded turkey products. Butterball's condensed financial information for each of Seaboard's years ended is included in the table above. Within total assets, Butterball had trade name intangible assets of $111 million and goodwill of $74 million as of December 31, 2018. In 2017, Butterball closed its further processing plant in Montgomery, Illinois, resulting in charges primarily related to impaired fixed assets and accrued severance. Seaboard's proportionate share of these charges, recognized in income (loss) from affiliates, was $18 million in 2017.

In connection with its initial investment in Butterball in December 2010, Seaboard provided Butterball with a $100 million unsecured subordinated loan (the "subordinated loan") with a seven-year maturity. Also, in connection with providing the subordinated loan, Seaboard received detachable warrants, which upon exercise for a nominal price, would enable Seaboard to acquire an additional 5% equity interest in Butterball. In January 2016, the interest on the subordinated loan was modified to 10% per annum, payable in cash semi-annually. The warrants were also modified in 2016, whereby Seaboard can exercise these warrants at any time after December 31, 2018 or prior to December 31, 2025 after which time the warrants expire. Butterball has the right to repurchase the warrants for fair market value. The warrant agreement essentially provides Seaboard with a 52.5% economic interest, as these warrants are in substance an additional equity interest. Therefore, Seaboard records 52.5% of Butterball's earnings as income (loss) from affiliates in the consolidated statements of comprehensive income. However, all significant corporate governance matters would continue to be shared equally between Seaboard and its partner in Butterball even if the warrants were exercised, unless Seaboard already owned a majority of the voting rights at the time of exercise. The warrants qualify for equity treatment under accounting standards. Upon issuance in December 2010, the warrants were allocated a value of $11 million, classified as investments in and advances to affiliates in the consolidated balance sheets, and the subordinated loan was allocated a discounted value of $89 million, classified as notes receivable from affiliates in the consolidated balance sheets. The discount on the subordinated loan was accreted monthly in interest income from affiliates through the maturity date of December 6, 2017. In December 2017, Butterball fully repaid the outstanding note receivable balance of $164 million and accrued interest of $6 million to Seaboard.

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Notes Payable and Long-Term Debt	12 Months Ended Dec. 31, 2018

Notes Payable and Long-term Debt

Notes Payable and Long-Term Debt

Note 7 - Notes Payable and Long-Term Debt

Notes payable under uncommitted lines of credit was $148 million and $162 million as of December 31, 2018 and 2017, respectively. Of the $148 million outstanding as of December 31, 2018, all was related to foreign subsidiaries, with $79 million denominated in South African rand, $20 million denominated in the Canadian dollar and $12 million denominated in the Zambian kwacha. The weighted average interest rate for outstanding notes payable was 7.76% and 10.48% as of December 31, 2018 and 2017, respectively. The notes payable under the lines of credit are unsecured and do not require compensating balances. Facility fees on these agreements are not material. As of December 31, 2018, Seaboard's borrowing capacity under its uncommitted lines of credit was reduced by $148 million drawn and $18 million of letters of credit.

Seaboard has a $100 million committed line of credit with Wells Fargo Bank, National Association that had no outstanding balance as of December 31, 2018. During 2018, Seaboard renewed this credit line for another year until September 27, 2019, with no other changes to the agreement. Interest is computed at LIBOR plus 0.50%, and Seaboard incurs an unused commitment fee of 0.09% per annum. This line of credit is secured by certain short-term investments and is subject to standard representations and covenants.

The following table is a summary of long-term debt:

(Millions of dollars)	December 31, 2018	December 31, 2017
Term Loan due 2028	$ 698	$ —
Term Loan due 2022	—	484
Foreign subsidiary obligations due 2019 through 2023	81	52
Total long-term debt at face value	779	536
Current maturities of long-term debt and unamortized discount and costs	(40)	(54)
Long-term debt, less current maturities and unamortized discount and costs	$ 739	$ 482

On September 25, 2018, Seaboard entered into an Amended and Restated Term Loan Credit Agreement ("Credit Agreement") with CoBank, ACB, Farm Credit Services of America, PCA, and the lenders party thereto. This Credit Agreement replaced Seaboard Foods LLC's ("Seaboard Foods") $500 million unsecured term loan with a $700 million unsecured term loan ("Term Loan") and extended the maturity from December 4, 2022 to September 25, 2028. Seaboard received proceeds of $220 million, net of certain costs, of which some were capitalized and amortized to interest expense using the effective interest method. The Term Loan provides for quarterly payments of the principal balance pursuant to the revised amortization schedule set forth in the Credit Agreement, with the balance due on the maturity date. The Term Loan bears interest at fluctuating rates based on various margins over a Base Rate, LIBOR or a Quoted Rate, at the option of Seaboard. The interest rate was 4.15% and 3.20% as of December 31, 2018 and 2017, respectively.

The Term Loan requires, among other terms, the maintenance of certain ratios involving a maximum debt to capitalization ratio, which shall not exceed 50% at the end of any fiscal quarter, and minimum tangible net worth, as defined, of not less than $2,500 million plus 25% of cumulative consolidated net income. The Term Loan also includes restrictions of certain subsidiaries to grant liens on assets, incur indebtedness over 15% of consolidated tangible net worth, make certain acquisitions, investments and asset dispositions in excess of specified amounts, and limits aggregate dividend payments to $100 million per year under certain circumstances. Seaboard has guaranteed all obligations of Seaboard Foods under the Term Loan.

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Foreign subsidiary long-term debt is primarily denominated in euros and U.S. dollars. In conjunction with the acquisition discussed in Note 2, Seaboard incurred a euro-denominated note payable due to the sellers valued at $44 million as of December 31, 2018. The change in value from the date of acquisition to the current reporting period reflects foreign currency fluctuations and the accretion of the discount to the note payable face value over the term that is recorded as additional interest expense. This foreign subsidiary obligation bears interest at an annual rate of 3.25%, with interest due annually on the anniversary date, until maturity on January 5, 2021. Seaboard's Sugar and Alcohol segment, which is on a one-month lag, refinanced certain notes payable with short-term loans valued at approximately $29 million and $32 million as of December 31, 2018 and 2017, respectively. The outstanding short-term loan as of December 31, 2018 incurs a fixed rate of interest of 3.10% and matures on December 20, 2018. The outstanding short-term loan as of December 31, 2017 incurred a fixed rate of interest of 23% and matured on February 7, 2018. The weighted average interest rate of all foreign subsidiary debt was 3.80% and 21.80% as of December 31, 2018 and 2017, respectively. All of the foreign subsidiary debt is guaranteed by Seaboard, except $2 million is secured by property, plant and equipment.

Seaboard was in compliance with all restrictive debt covenants relating to these agreements as of December 31, 2018. The aggregate minimum principal payments required on long-term debt as of December 31, 2018 were as follows: $39 million in 2019, $9 million in 2020, $53 million in 2021, $8 million in 2022, $7 million in 2023 and $663 million thereafter.

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Commitments and Contingencies	12 Months Ended Dec. 31, 2018

Commitments and Contingencies

Commitments and Contingencies

Note 8 - Commitments and Contingencies

On June 28, 2018, Wanda Duryea and eleven other indirect purchasers of pork products, acting on behalf of themselves and a putative class of indirect purchasers of pork products, filed a class action complaint in the U.S. District Court for the District of Minnesota against several pork processors, including Seaboard Foods and Agri Stats, Inc., a company described in the complaint as a data sharing service. Subsequent to the filing of this initial complaint, additional class action complaints making similar claims on behalf of putative classes of direct and indirect purchasers were filed in the U.S. District Court for the District of Minnesota. The 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 their 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 include causes of action under various state laws, including state antitrust laws, unfair competition laws, consumer protection statutes, and state common law claims for unjust enrichment. The complaints also allege that the defendants concealed this conduct from the plaintiffs and the members of the putative classes. The relief sought in the respective complaints includes treble damages, injunctive relief, pre- and post-judgment interest, costs, and attorneys' fees on behalf of the putative classes. The complaints were amended and consolidated, and the cases are now organized into three consolidated putative class actions brought on behalf of (a) direct purchasers, (b) consumer indirect purchasers, and (c) commercial and institutional indirect purchasers. The amended complaints named Seaboard Corporation as an additional defendant. Seaboard intends to defend these cases vigorously. It is impossible at this stage either to determine the probability of a favorable or unfavorable outcome resulting from these suits, or to estimate the amount of potential loss, if any, resulting from the suits.

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 naming as parties Seaboard and Seaboard's subsidiaries, Seaboard Overseas Limited ("SOL") and Seaboard Uruguay Holdings Ltd. ("Seaboard Uruguay"). Seaboard has a 45% indirect ownership of Cereoil. The suit seeks an order requiring Seaboard, 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 intends to defend this case vigorously. 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. 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 another suit in the Bankruptcy Court of First Instance in Uruguay that was served during the second quarter naming as parties Seaboard, 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 intends to defend this case vigorously. 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 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

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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 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 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 intends to defend this case vigorously. 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 would total $14 million. It is possible that the net indebtedness could be higher than this amount if Nolston's liabilities are greater than $29 million and/or Nolston's assets are worth less than $15 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.

On September 18, 2014, and subsequently in 2015 and 2016, Seaboard received a number of grand jury subpoenas and informal requests for information from the Department of Justice, Asset Forfeiture and Money Laundering Section ("AFMLS"), seeking records related to specified foreign companies and individuals. The companies and individuals as to which the requested records relate were not affiliated with Seaboard, although Seaboard has also received subpoenas and requests for additional information relating to an affiliate of Seaboard. During 2017, Seaboard received grand jury subpoenas requesting documents and information related to money transfers and bank accounts in the Democratic Republic of Congo ("DRC") and other African countries and requests to interview certain Seaboard employees and to obtain testimony before a grand jury. Seaboard has retained outside counsel and is cooperating with the government's investigation. It is impossible at this stage either to determine the probability of a favorable or unfavorable outcome or to estimate the amount of potential loss, if any, resulting from the government's inquiry.

On September 19, 2012, the U.S. Immigration and Customs Enforcement ("ICE") executed three search warrants authorizing the seizure of certain records from Seaboard's offices in Merriam, Kansas and at the Seaboard Foods employment office and the human resources department in Guymon, Oklahoma. The warrants generally called for the seizure of employment-related files, certain e-mails and other electronic records relating to Medicaid and Medicaid recipients, certain health care providers in the Guymon area, and Seaboard's health plan and certain personnel issues as part of an investigation led by the U.S. Attorney's Office for the Western District of Oklahoma. This matter was settled in November 2018 pursuant to a settlement agreement with ICE and the State of Oklahoma to which Seaboard made cash payments to ICE and the State of Oklahoma in the aggregate amount of $1 million. The settlement resolves the investigation.

Seaboard is subject to various administrative and judicial proceedings and other legal matters related to the normal conduct of its business. In the opinion of management, the ultimate resolution of these items is not expected to have a material adverse effect in the consolidated financial statements of Seaboard.

Contingent Obligations
Certain of the non-consolidated affiliates and third-party contractors who perform services for Seaboard have bank debt supporting their underlying operations. From time to time, Seaboard will provide guarantees of that debt in order to further business objectives. Seaboard does not issue guarantees of third parties for compensation. As of December 31, 2018, guarantees outstanding to affiliates and third parties were not material. Seaboard has not accrued a liability for any of the affiliate or third-party guarantees as management considers the likelihood of loss to be remote.

Commitments
As of December 31, 2018 Seaboard had various non-cancelable purchase commitments and commitments under other agreements and operating leases, as described in the table below:

	Years ended December 31,

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(Millions of dollars)	2019	2020	2021	2022	2023	Thereafter	Totals
Hog procurement contracts [(a)]	$ 69	$ 71	$ 78	$ 64	$ 46	$ 34	$ 362
Grain and feed ingredients [(a)]	116	2	—	—	—	—	118
Grain purchase contracts for resale [(b)]	564	—	—	—	—	—	564
Fuel supply contracts [(c)]	31	—	49	49	49	352	530
Equipment and other purchase commitments	73	—	—	—	—	—	73
Total firm purchase commitments	$ 853	$ 73	$ 127	$ 113	$ 95	$ 386	$ 1,647
Ports [(d)]	18	18	19	19	20	109	203
Vessel, time and voyage-charters [(e)]	58	27	26	13	8	25	157
Contract grower agreements [(f)]	47	41	37	27	18	61	231
Other operating lease payments	18	13	9	8	6	15	69
Total operating lease payments	$ 141	$ 99	$ 91	$ 67	$ 52	$ 210	$ 660
Power barge and pork plant expansion [(g)]	138	71	9	—	—	—	218
Investment in affiliates [(h)]	14	9	9	—	—	—	32
Total unrecognized non-cancelable commitments	$ 1,146	$ 252	$ 236	$ 180	$ 147	$ 596	$ 2,557

(a) Seaboard has contracted with third parties for the purchase of hogs and has entered into grain and feed purchase contracts to support its hog operations. The amounts included in the table are based on projected market prices as of December 31, 2018. During 2018, 2017 and 2016, the Pork segment paid $77 million, $99 million and $133 million, respectively, for hogs purchased under committed contracts.

(b) The CT&M segment enters into grain purchase contracts, primarily to support firm sales commitments. These contracts are valued based on projected commodity prices as of December 31, 2018.

(c) The Power segment has a natural gas supply contract for a significant portion of the fuel required for the operation of its existing facility and barge under construction. The commitments have both fixed and variable price components, and the amount included in the table above is partially based on market prices as of December 31, 2018. The Marine segment also has fuel purchase contracts.

(d) Seaboard also leases various facilities and equipment under non-cancelable operating lease agreements including a terminal operations agreement at PortMiami, which runs through 2028. Rental expense for operating leases for all segments amounted to $46 million, $44 million and $43 million in 2018, 2017 and 2016, respectively.

(e) The Marine and CT&M segments enter into contracts to charter vessels for use in their operations, which include short-term time charters for a few months and long-term commitments ranging from less than one year to over three years. These segments' charter hire expenses during 2018, 2017 and 2016 totaled $111 million, $96 million and $95 million, respectively.

(f) To support the operations of the Pork segment, Seaboard has contract grower agreements in place with farmers to raise a portion of Seaboard's hogs according to Seaboard's specifications under long-term service agreements. During the years ended 2018, 2017 and 2016, Seaboard paid $48 million, $37 million and $26 million, respectively, under contract grower agreements.

(g) In November 2018, Seaboard's Power segment entered into a contract to build a floating power barge with operations anticipated to begin in the first quarter of 2021. The total cost of the project is estimated to exceed $160 million. In the third quarter of 2018, Seaboard's Pork segment entered into an approximate $103 million construction contract

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to expand its Oklahoma, pork processing plant during 2019 and 2020. These assets are under construction, so expected payments may vary based on timing of milestones achieved.

(h) Investment in affiliates represents obligations made to equity method investments, primarily for expected funding commitments to three limited liability companies that operate refined coal processing plants.

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Employee Benefits

Employee Benefits

Employee Benefits

12 Months Ended Dec. 31, 2018

Note 9 - Employee Benefits

Seaboard has one qualified defined benefit pension plan (the "Plan") for its domestic salaried and clerical employees that were hired before January 1, 2014. Benefits are generally based upon the number of years of service and a percentage of final average pay. Seaboard has historically based pension contributions on minimum funding standards to avoid the Pension Benefit Guaranty Corporation ("PBGC") variable rate premiums established by the Employee Retirement Income Security Act ("ERISA") of 1974. Seaboard did not make any contributions in 2018 and 2017 and currently does not plan on making any contributions in 2019.

As described in Note 10 to the consolidated financial statements, Seaboard utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following tables show the Plan's assets measured at estimated fair value as of December 31, 2018 and 2017, respectively, and also the level within the fair value hierarchy used to measure each category of assets:

(Millions of dollars)	December 31, 2018	Level 1	Level 2	Level 3
Assets:				
Domestic equity securities	$ 69	$ 69	$ —	$ —
Foreign equity securities	47	47	—	—
Domestic fixed income mutual funds	27	27	—	—
Foreign fixed income mutual funds	11	11	—	—
Money market funds	2	2	—	—
Total assets	$ 156	$ 156	$ —	$ —

(Millions of dollars)	December 31, 2017	Level 1	Level 2	Level 3
Assets:				
Domestic equity securities	$ 80	$ 80	$ —	$ —
Foreign equity securities	53	53	—	—
Domestic fixed income mutual funds	25	25	—	—
Foreign fixed income mutual funds	11	11	—	—
Money market funds	2	2	—	—
Total assets	$ 171	$ 171	$ —	$ —

Pursuant to Seaboard's investment policy, assets are invested in the Plan to achieve a diversified target allocation of approximately 50% in domestic equities, 25% in international equities, 20% in fixed income securities and 5% in alternative investments. The investment strategy is periodically reviewed by management for adherence to policy and performance.

Seaboard also sponsors non-qualified, unfunded supplemental executive plans, and has certain individual, non-qualified, unfunded supplemental retirement agreements for certain retired employees. The unamortized prior service cost is being amortized over the average remaining working lifetime of the active participants for these plans. Management has no plans to provide funding for these supplemental executive plans in advance of when the benefits are paid.

Assumptions used in determining pension information for all of the above plans were:

	Years ended December 31, 2018	2017	2016
Weighted average assumptions			
Discount rate used to determine obligations	3.50-4.50%	2.75-3.80%	2.90-4.65%

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Discount rate used to determine net periodic benefit cost	2.75-3.80%	2.90-4.60%	3.20-4.80%
Expected return on plan assets	6.25%	6.50%	6.75-7.00%
Long-term rate of increase in compensation levels	4.00%	4.00%	4.00%

Management selected the discount rate based on a model-based result where the timing and amount of cash flows approximates the estimated payouts. The expected returns on the Plan's assets assumption are based on the weighted average of asset class expected returns that are consistent with historical returns. The assumed rate selected was based on model-based results that reflect the Plan's asset allocation and related long-term projected returns. The measurement date for all plans is December 31. The unrecognized net actuarial losses are generally amortized over the average remaining working lifetime of the active participants for all of these plans.

The changes in the Plan's benefit obligations and fair value of assets for the Plan, supplemental executive plans and retirement agreements and the funded status were as follows:

(Millions of dollars)	December 31, 2018	2017
Reconciliation of benefit obligation:		
Benefit obligation at beginning of year	$ 300	$ 262
Service cost	10	9
Interest cost	11	11
Actuarial losses (gains)	(22)	29
Plan settlements	—	(9)
Benefits paid	(6)	(3)
Other	—	1
Benefit obligation at end of year	$ 293	$ 300
Reconciliation of fair value of plan assets:		
Fair value of plan assets at beginning of year	$ 171	$ 151
Actual return on plan assets	(11)	25
Employer contributions	2	10
Plan settlements	—	(9)
Benefits paid	(6)	(6)
Fair value of plan assets at end of year	$ 156	$ 171
Funded status	$ (137)	$ (129)

The net funded status of the Plan was $(35) million and $(29) million as of December 31, 2018 and 2017, respectively. The accumulated benefit obligation for the Plan was $165 million and $171 million and for all the other plans was $95 million and $90 million as of December 31, 2018 and 2017, respectively. Expected future net benefit payments for all plans during each of the next five years and in aggregate for the five-year period beginning with the sixth year were as follows: $15 million, $18 million, $14 million, $25 million, $21 million and $75 million, respectively.

The settlements recognized during 2017 were primarily due to three participants who received lump sum payments in aggregate of $8 million that exceeded the service cost plus interest cost for the respective plan.

The net periodic cost of benefits of these plans was as follows:

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Components of net periodic benefit cost:			
Service cost	$ 10	$ 9	$ 9
Interest cost	11	11	11
Expected return on plan assets	(11)	(10)	(8)
Amortization and other	6	5	5
Settlement loss recognized	—	2	—
Net periodic benefit cost	$ 16	$ 17	$ 17

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The service cost component is recorded in either cost of sales or selling, general and administrative expenses depending upon the employee, and the other components of net periodic benefit cost are recorded in miscellaneous, net in the consolidated statements of comprehensive income. The amounts not reflected in net periodic benefit cost and included in accumulated other comprehensive loss before taxes as of December 31, 2018 and 2017 were $72 million and $78 million, respectively. Such amounts primarily represent accumulated losses, net of gain.

Seaboard participates in a multi-employer pension fund, the United Food and Commercial Workers International Union-Industry Pension Fund, which covers certain union employees under a collective bargaining agreement. This fund's employer identification number is 51-6055922, and this plan's number is 001. For the plan year beginning July 1, 2017, this plan's "zone status" is green and is not subject to a funding improvement plan. Seaboard is required to make contributions to this plan in amounts established under the collective bargaining agreement that expires in July 2019. Contribution expense for this plan was $1 million for each of the years ended December 31, 2018, 2017 and 2016, which represents less than five percent of total contributions to this plan. The applicable portion of the total plan benefits and net assets of this plan is not separately identifiable, although Seaboard has received notice that, under certain circumstances, it could be liable for unfunded vested benefits or other expenses of this jointly administered union plan. The estimated withdrawal liability attributable to Seaboard based on the previous plan year ending June 30, 2018, was $17 million. Seaboard has not established any liabilities for potential future withdrawal, as such withdrawal from this plan is not probable.

Seaboard maintains a defined contribution plan covering most of its domestic salaried and clerical employees. In 2018, 2017 and 2016, Seaboard contributed to this plan an amount equal to 50% of the first 6% of each employee's contributions to the plan. Employee vesting is based upon years of service, with 20% vested after one year of service and an additional 20% vesting with each additional complete year of service. Contribution expense for this plan was $3 million, $3 million and $2 million for the years ended December 2018, 2017 and 2016, respectively. In addition, Seaboard maintains a defined contribution plan covering most of its hourly, non-union employees. Contribution expense for this plan was $1 million for each of the years ended December 31, 2018, 2017 and 2016.

Seaboard has a deferred compensation plan that allows certain employees to reduce their compensation in exchange for values in various investments. Seaboard also has an Investment Option Plan that allowed certain employees to reduce their compensation in exchange for an option to acquire interests measured by reference to three investments. Contributions are no longer permitted under the Investment Option Plan. The exercise price for each investment option was established based upon the fair market value of the underlying investment on the date of grant. Under the deferred compensation plan, Seaboard contributes 3% of the employees' reduced compensation. Seaboard's income (expense) for these two deferred compensation plans, which primarily includes amounts related to the change in fair value of the underlying investment accounts, was $2 million, $(10) million and $(4) million for the years ended December 31, 2018, 2017 and 2016, respectively. Included in other liabilities as of December 31, 2018 and 2017 were $38 million and $40 million, respectively, representing the market value of the payable to the employees upon distribution or exercise for each plan. In conjunction with these plans, Seaboard purchased the specified number of units of the employee-designated investment, plus the applicable option price for the Investment Option Plan. These investments are treated as trading securities and are stated at their fair market values. Accordingly, as of December 31, 2018 and 2017, $45 million and $46 million, respectively, were included in other current assets in the consolidated balance sheets. Investment income (loss) related to the mark-to-market of these investments for 2018, 2017 and 2016 totaled $(2) million, $9 million and $4 million, respectively.

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Derivatives and Fair Value of Financial Instruments

12 Months Ended Dec. 31, 2018

Derivatives and Fair Value of Financial Instruments

Derivatives and Fair Value of Financial Instruments

Note 10 - Derivatives and Fair Value of Financial Instruments

Seaboard uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into the following three broad levels:

Level 1: Quoted Prices in Active Markets for Identical Assets or Liabilities - Observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities that Seaboard has the ability to access at the measurement date.

Level 2: Significant Other Observable Inputs - 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: Significant Unobservable Inputs - Unobservable inputs that reflect the reporting entity's own assumptions.

The following tables show assets and liabilities measured at fair value on a recurring basis as of December 31, 2018 and 2017, respectively, and also 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)	December 31, 2018	Level 1	Level 2	Level 3
Assets:				
Trading securities – short-term investments:				
Domestic equity securities	$ 632	$ 632	$ —	$ —
Domestic debt securities	268	215	53	—
Foreign equity securities	218	218	—	—
Money market funds held in trading accounts	146	146	—	—
Collateralized loan obligations	28	—	28	—
High yield securities	19	7	12	—
Foreign debt securities	16	2	14	—
Term deposits	9	9	—	—
Other trading securities	5	5	—	—
Trading securities – other current assets:				
Domestic equity securities	32	32	—	—
Money market funds held in trading accounts	5	5	—	—
Foreign equity securities	3	3	—	—
Fixed income securities	3	3	—	—
Other	1	1	—	—
Derivatives:				
Commodities [(1)]	6	4	2	—
Foreign currencies	2	—	2	—
Total assets	$ 1,393	$ 1,282	$ 111	$ —
Liabilities:				
Trading securities – short-term investments:				
Other trading securities	$ 5	$ —	$ 5	$ —
Contingent consideration	13	—	—	13
Derivatives:				
Commodities [(1)]	4	4	—	—
Total liabilities	$ 22	$ 4	$ 5	$ 13

[(1)] Seaboard's commodity derivative assets and liabilities are presented in the consolidated balance sheets on a net basis, including netting the derivatives with the related margin accounts. As of December 31, 2018, the commodity derivatives had a margin account balance of $15 million resulting in a net other current asset in the consolidated balance sheet of $17 million.

(Millions of dollars)	December 31, 2017	Level 1	Level 2	Level 3
Assets:				
Trading securities – short-term investments:				
Domestic equity securities	$ 752	$ 752	$ —	$ —
Domestic debt securities held in mutual funds/ETFs/U.S. Treasuries	439	438	1	—
Foreign equity securities	319	319	—	—

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Collateralized loan obligations	29	—	29	—
High yield securities	21	21	—	—
Money market funds held in trading accounts	10	10	—	—
Other trading securities	6	6	—	—
Trading securities – other current assets:				
Domestic equity securities	35	35	—	—
Money market funds held in trading accounts	5	5	—	—
Foreign equity securities	4	4	—	—
Fixed income securities	2	2	—	—
Derivatives:				
Commodities [(1)]	4	4	—	—
Foreign currencies	3	—	3	—
Total assets	$ 1,629	$ 1,596	$ 33	$ —
Liabilities:				
Derivatives:				
Commodities [(1)]	$ 6	$ 6	$ —	$ —
Foreign currencies	6	—	6	—
Total liabilities	$ 12	$ 6	$ 6	$ —

(1) Seaboard's commodity derivative assets and liabilities are presented in the consolidated balance sheets on a net basis, including netting the derivatives with the related margin accounts. As of December 31, 2017, the commodity derivatives had a margin account balance of $20 million resulting in a net other current asset in the consolidated balance sheet of $18 million.

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.

Domestic 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 and U.S. Treasuries. Foreign debt securities categorized as level 1 in the fair value hierarchy include debt securities held in mutual funds and ETFs with a country of origin concentration outside the U.S. Foreign debt securities categorized as level 2 include foreign government or government related securities and asset-backed securities with a country of origin concentration outside the U.S. High yield securities categorized as level 1 in the fair value hierarchy include high yield securities held in mutual funds and ETFs, and level 2 includes corporate bonds and bank loans.

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 consolidated balance sheets, it would have been classified as level 2 in the fair value hierarchy. See Note 7 for a discussion of Seaboard's long-term debt.

The fair value of Seaboard's contingent consideration recorded in conjunction with the acquisition discussed further in Note 2 was classified as a level 3 in the fair value hierarchy since the calculation is dependent upon projected company specific inputs using a Monte Carlo simulation. In future reporting periods, Seaboard will remeasure the estimated fair value of the contingent consideration liability until settled. The estimated fair value of the liability decreased $1 million during the fourth quarter of 2018 based upon updated financial information, including 2018 actual and 2019 budgeted amounts.

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. As the derivatives discussed below are not accounted for as hedges, fluctuations in the related commodity prices, foreign currency exchange rates and equity prices could have a material impact on earnings in any given reporting period.

Commodity Instruments
Seaboard uses various derivative futures and options to manage its risk to price fluctuations for raw materials and other inventories, finished product sales and firm sales commitments. Occasionally, Seaboard also enters 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 in the consolidated statements of comprehensive income. For the years ended December 31, 2018, 2017 and 2016, Seaboard recognized net realized and unrealized gains (losses) related to commodity contracts of $(12) million, $(9) million and $21 million, respectively, included in cost of sales in the consolidated statements of comprehensive income.

As of December 31, 2018, Seaboard had open net derivative contracts to purchase 33 million bushels of grain and 8 million pounds of soybean oil and open net derivative contracts to sell 26 million pounds of hogs and 7 million gallons of heating oil. As of December 31, 2017, Seaboard had open net derivative contracts to purchase 29 million bushels of grain, 1 million pounds of soybean oil and open net derivative contracts to sell 13 million pounds of hogs and 7 million gallons of heating oil.

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 currency exchange agreements that primarily

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relate to an underlying commodity transaction are recorded at fair value with changes in value marked-to-market as a component of cost of sales in the consolidated statements of comprehensive income. Foreign currency exchange agreements that are not related to an underlying commodity transaction are recorded at fair value with changes in value marked-to-market as a component of foreign currency gains (losses), net in the consolidated statements of comprehensive income. As of December 31, 2018 and 2017, Seaboard had foreign currency exchange agreements with notional amounts of $82 million and $20 million, respectively, primarily related to the South African rand, euro and the Canadian dollar. From time to time Seaboard is subject to counterparty credit risk related to its foreign currency exchange agreements should the counterparties fail to perform according to the terms of the contracts. As of December 31, 2018, Seaboard had $2 million of credit risk to five counterparties related to its foreign currency exchange agreements. Seaboard does not hold any collateral related to these agreements.

Equity Futures Contracts

Seaboard enters into equity futures contracts to manage the equity price risk with respect to certain short-term investments. Equity futures contracts are recorded at fair value with changes in value marked-to-market as a component of other investment income (loss), net in the consolidated statements of comprehensive income. The notional amounts of these equity futures contracts were $97 million and $0 million as of December 31, 2018 and 2017, respectively.

The following table provides the amount of gain (loss) recognized for each type of derivative and where it was recognized in the consolidated statements of comprehensive income for the year ended December 31, 2018 and 2017:

(Millions of dollars)		2018	2017
Commodities	Cost of sales	$ (12)	$ (9)
Foreign currencies	Cost of sales	2	(7)
Foreign currencies	Foreign currency gains (losses), net	1	(1)
Equity	Other investment income (loss), net	(6)	—

The following table provides the fair value of each type of derivative held as of December 31, 2018 and 2017 and where each derivative is included in the consolidated balance sheets:

	Asset Derivatives			Liability Derivatives		
(Millions of dollars)		December 31, 2018	December 31, 2017		December 31, 2018	December 31, 2017
Commodities[1]	Other current assets	$ 6	$ 4	Other current liabilities	$ 4	$ 6
Foreign currencies	Other current assets	2	3	Other current liabilities	—	6
Equity	Short-term investments	—	—	Short-term investments	5	—

[1] Seaboard's commodity derivative assets and liabilities are presented in the consolidated balance sheets on a net basis, including netting the derivatives with the related margin accounts. As of December 31, 2018 and 2017, the commodity derivatives had a margin account balance of $15 million and $20 million, respectively, resulting in a net other current asset in the consolidated balance sheets of $17 million and $18 million, respectively. Seaboard's equity derivatives are also presented on a net basis, including netting the derivatives within short-term investments.

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Stockholders' Equity and Accumulated Other Comprehensive Loss	12 Months Ended Dec. 31, 2018
Stockholders' Equity and Accumulated Other Comprehensive Loss	
Stockholders' Equity and Accumulated Other Comprehensive Loss	**Note 11 - Stockholders' Equity and Accumulated Other Comprehensive Loss**

In October 2017, the Board of Directors extended through October 31, 2019 the share repurchase program initially established in November 2009. As of December 31, 2018, $95 million remained available for repurchases under this program. Seaboard repurchased 1,333 shares of common stock at a total price of $5 million during 2018. Shares repurchased were retired and became authorized and unissued shares. Seaboard did not repurchase any shares of common stock during 2017 and 2016. Under this share repurchase program, Seaboard is authorized to repurchase its common stock from time to time in open market or privately negotiated purchases, which may be above or below the traded market price. During the period that the share repurchase program remains in effect, from time to time, Seaboard may enter into a 10b5-1 plan authorizing a third party to make such purchases on behalf of Seaboard. All stock repurchased will be made in compliance with applicable legal requirements and funded by cash on hand. The timing of the repurchases and the number of shares repurchased at any given time will depend upon market conditions, compliance with Securities and Exchange Commission ("SEC") regulations, and other factors. The Board of Directors' stock repurchase authorization does not obligate Seaboard to acquire a specific amount of common stock, and the stock repurchase program may be suspended at any time at Seaboard's discretion. Shares repurchased are retired and resume the status of authorized and unissued shares.

In each of the four quarters of 2018 and 2017, Seaboard declared and paid a quarterly dividend of $1.50 per share on the common stock. Seaboard did not declare or pay a dividend in 2016. In December 2012, Seaboard declared and paid a dividend of $12.00 per share on the common stock. The increased amount of the dividend represented a prepayment of the annual 2013, 2014, 2015 and 2016 dividends ($3.00 per share per year).

The components of accumulated other comprehensive loss, net of related taxes, for 2016, 2017 and 2018 were as follows:

(Millions of dollars)	Cumulative Foreign Currency Translation Adjustment	Unrealized Gain on Investments	Unrecognized Pension Cost	Total
Balance December 31, 2016	$ (254)	$ 2	$ (52)	$(304)
Other comprehensive income (loss) before reclassifications	(6)	5	(8)	(9)
Amounts reclassified from accumulated other comprehensive loss to net earnings	—	—	4 (1)	4
Other comprehensive income (loss), net of tax	(6)	5	(4)	(5)
Amounts reclassified from accumulated other comprehensive loss to retained earnings	(37)(2)	—	(8)(2)	(45)
Balance December 31, 2017	$ (297)	$ 7	$ (64)	$(354)
Other comprehensive loss before reclassifications	(52)	—	(1)	(53)
Amounts reclassified from accumulated other comprehensive loss to net loss	—	—	4 (1)	4
Other comprehensive income (loss), net of tax	(52)	—	3	(49)

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Amounts reclassified from accumulated other comprehensive loss to retained earnings	—	(7)[3]	—	(7)
Balance December 31, 2018	$ (349)	$ —	$ (61)	$(410)

[1] This primarily represents the amortization of actuarial losses that were included in net periodic pension cost and recorded in operating income. See Note 9 for further discussion.

[2] This represents the adoption of accounting guidance to reclassify $45 million of tax effects from accumulated other comprehensive loss to retained earnings in the consolidated financial statements for the year ended December 31, 2017.

[3] Effective January 1, 2018, upon adoption of new guidance, all unrealized gains (losses) on investments are included in the consolidated statement of comprehensive income. The accumulated other comprehensive income balance as of December 31, 2017, was reclassified to retained earnings on January 1, 2018.

The cumulative foreign currency translation adjustment primarily represents the effect of the Argentine peso currency exchange fluctuation on the net assets of the Sugar and Alcohol segment. Effective in the third quarter of 2018, the Sugar and Alcohol segment's functional currency changed from the Argentine peso to the U.S. dollar due to highly inflationary accounting. See Note 1 for further discussion of this impact.

For 2018, less than $1 million of income taxes for the cumulative foreign currency translation adjustment was recorded because substantially all of the adjustment related to foreign subsidiaries for which no tax benefit was recorded. See Note 13 for discussion of the election to change the tax status of a wholly-owned subsidiary from a partnership to a corporation. Income taxes for cumulative foreign currency translation adjustments were recorded using a 21% effective tax rate in the fourth quarter of 2017 and a 35% effective tax rate for all other periods, except for $91 million in 2017 related to certain subsidiaries for which no tax benefit was recorded. Income taxes for all other components of accumulated other comprehensive loss were recorded using a 26% effective tax rate in the fourth quarter of 2017 and all of 2018 and a 39% effective tax rate for other periods of 2017 and all of 2016, except for unrecognized pension cost of $23 million and $22 million in 2018 and 2017, respectively, related to employees at certain subsidiaries for which no tax benefit was recorded.

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Revenue Recognition

Revenue Recognition

Revenue Recognition

12 Months Ended
Dec. 31, 2018

Note 12 – Revenue Recognition

Seaboard has multiple segments with diverse revenue streams. For additional information on Seaboard's segments, see Note 14. The following table presents Seaboard's sales disaggregated by revenue source and segment:

(Millions of dollars)	Pork	Commodity Trading & Milling	Marine	Sugar and Alcohol	Power	All Other	Consolidated Totals
	Year Ended December 31, 2018						
Major Products/ Services Lines:							
Products	$ 1,451	$ 3,410	$ —	$ 173	$ —	$ 18	$ 5,052
Transportation	9	—	1,057	—	—	—	1,066
Energy	282	—	—	11	122	—	415
Other	32	18	—	—	—	—	50
Segment/ Consolidated Totals	$ 1,774	$ 3,428	$ 1,057	$ 184	$ 122	$ 18	$ 6,583

Revenue from goods and services transferred to customers at a single point in time accounted for approximately 85% of Seaboard's net sales for the year ended December 31, 2018. Substantially all of the sales in Seaboard's Marine segment are recognized ratably over the transit time for each voyage as Seaboard believes this is a faithful depiction of the performance obligation to its customers.

Almost all of Seaboard's contracts with its customers are short-term, defined as less than one year. The Pork segment recognizes fees paid at commencement of the marketing agreement with Triumph over the term of the agreement. As of December 31, 2018, Seaboard had $12 million of remaining performance obligations that were unsatisfied related to the marketing agreement, of which 50% is expected to be recognized as net sales in 2019 and the remaining 50% in 2020. Seaboard elected to use all practical expedients and therefore will not disclose the value of unsatisfied performance obligations for: (i) contracts with an original expected length of one year or less; and (ii) contracts for which revenue is recognized at the amount to which it has the right to invoice for services performed. Also, Seaboard will recognize a financing component only on obligations that extend longer than one year.

Deferred revenue represents cash payments received in advance of Seaboard's performance or revenue billed that is unearned. The CT&M segment requires certain customers to pay in advance or upon delivery to avoid collection risk. The Marine segment's deferred revenue balance primarily relates to the unearned portion of billed revenue when a ship is on the water and has not arrived at the designated port. Deferred revenue balances are reduced when revenue is recognized. Deferred revenue recognized as revenue for the year ended December 31, 2018 was $327 million.

The primary impact of adopting the new guidance was the acceleration of revenue related to sales in Seaboard's CT&M segment that previously had not been recognized as a fixed and determinable price was not established at the time of sale. Under the new guidance, revenue is recognized when control is transferred. Adjustments are made to revenue for pending sale prices dependent upon market fluctuations, further processing, or other factors until sales prices are finalized. The following tables summarize the impacts of adoption on Seaboard's consolidated financial statements:

Consolidated Statement of Comprehensive Income

Year ended

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(Millions of dollars)	December 31, 2018 Balances Without Adoption of Topic 606	Adjustments	As Reported
Total net sales	$ 6,555	$ 28	$ 6,583
Total cost of sales	$ 6,032	$ 28	$ 6,060

Consolidated Balance Sheet (Millions of dollars)	December 31, 2018 Balances Without Adoption of Topic 606	Adjustments	As Reported
Net receivables	$ 544	$ 7	$ 551
Inventories	$ 860	$ (45)	$ 815
Deferred revenue	$ 77	$ (38)	$ 39

Consolidated Statement of Cash Flows (Millions of dollars)	Year ended December 31, 2018 Balances Without Adoption of Topic 606	Adjustments	As Reported
Changes in assets and liabilities, net of acquisitions:			
Receivables, net of allowance	$ (51)	$ (7)	$ (58)
Inventories	$ (79)	$ 45	$ (34)
Current liabilities, exclusive of debt	$ 16	$ (38)	$ (22)

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Income Taxes	12 Months Ended Dec. 31, 2018

Income Taxes

Income Taxes

Note 13 - Income Taxes

On December 22, 2017, the President of the U.S. signed into law the Tax Cuts and Job Act (the "2017 Tax Act"). The 2017 Tax Act changed U.S. tax law by, among other things, lowering corporate income tax rates, implementing a territorial tax system and imposing a repatriation tax on mandatory deemed repatriated earnings of foreign subsidiaries. The 2017 Tax Act permanently reduces the U.S. corporate income tax rate from a maximum of 35% to a flat 21% rate, effective January 1, 2018.

Income taxes attributable to continuing operations for the years ended December 31, 2018, 2017 and 2016 differed from the amounts computed by applying the statutory U.S. federal income tax rate of 21% for 2018 and 35% for 2017 and 2016 to earnings before income taxes excluding noncontrolling interests for the following reasons:

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Computed "expected" tax expense (benefit) excluding noncontrolling interests	$ (3)	$ 150	$ 134
Adjustments to tax expense (benefit) attributable to:			
Foreign tax differences	12	(22)	(14)
Tax-exempt income	(13)	—	(15)
State income taxes, net of federal benefit	(8)	9	5
Repatriation tax	14	112	—
Effect on deferreds of federal rate reduction	—	(47)	—
Foreign entity tax status change	22	—	—
Federal tax credits	(23)	(18)	(31)
Federal rate reduction effect on capital loss carryback	(3)	—	—
Domestic manufacturing deduction	—	(2)	(5)
Other	3	(1)	(4)
Total income tax expense	$ 1	$ 181	$ 70

In December 2017, the SEC issued guidance that permitted the use of provisional amounts when the necessary information was not available, prepared or analyzed in reasonable detail to complete the accounting for certain income tax effects of the 2017 Tax Act. Seaboard recognized $112 million of provisional tax impact related to mandatory deemed repatriated earnings and a $47 million benefit from the revaluation of deferred tax assets and liabilities in its consolidated financial statements for the year ended December 31, 2017. The accounting for the income tax effects of the 2017 Tax Act was completed in the fourth quarter of 2018 with a total adjustment of $16 million related primarily to repatriation and, to a lesser extent, executive compensation items. Seaboard increased its provisional tax impact by $13 million during the third quarter of 2018 and $3 million during the fourth quarter of 2018. The 2018 effective tax rate was significantly impacted by these measurement-period adjustments. The changes related to mandatory deemed repatriated earnings and the revaluation of deferred tax assets and liabilities were based on interpretation changes and further analysis. Additional regulatory guidance may be issued, and Seaboard will adjust in the period of issuance.

Beginning in 2018, the 2017 Tax Act also imposed two new U.S. tax base erosion provisions, the global intangible low-taxed income ("GILTI") provision and the base-erosion and anti-abuse tax ("BEAT") provision. Seaboard accounts for the GILTI and BEAT taxes in the period incurred. Seaboard's annual income tax rate for 2018 includes less than $1 million of anticipated tax expense associated with the GILTI and BEAT provisions.

During 2018, Seaboard elected to change the tax status of a wholly-owned subsidiary from a partnership to a corporation. This change in tax status resulted in an estimated $22 million of additional tax expense and additional deferred tax liabilities.

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Earnings before income taxes were as follows:

(Millions of dollars)	Years ended December 31, 2018	2017	2016
United States	$ (109)	$ 273	$ 272
Foreign	93	155	110
Total earnings (loss) excluding noncontrolling interests	(16)	428	382
Net loss (income) attributable to noncontrolling interests	—	1	(2)
Total earnings (loss) before income taxes	$ (16)	$ 427	$ 384

The components of total income taxes were as follows:

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Current:			
Federal	$ (20)	$ 118	$ (1)
Foreign	32	19	21
State and local	—	2	7
Deferred:			
Federal	5	20	36
Foreign	(5)	10	4
State and local	(11)	12	3
Income tax expense	1	181	70
Unrealized changes in other comprehensive income (loss)	2	(3)	(12)
Total income taxes	$ 3	$ 178	$ 58

Seaboard recorded $14 million and $112 million of tax on mandatory deemed repatriated earnings for the years ended December 31, 2018 and 2017, respectively. As of December 31, 2018, Seaboard has $73 million of long-term income tax liability, payable over 8 years, and $7 million of income taxes payable related to mandatory deemed repatriated earnings. As of December 31, 2018 and 2017, Seaboard had income taxes receivable of $39 million and $51 million, respectively, primarily related to domestic tax jurisdictions, and had income taxes payable of $14 million and $3 million, respectively, primarily related to foreign tax jurisdictions.

Components of the net deferred income tax liability at the end of each year were as follows:

(Millions of dollars)	December 31, 2018	2017
Deferred income tax liabilities:		
Depreciation	$ 140	$ 92
Domestic partnerships	78	92
LIFO	—	3
Cash basis farming adjustment	5	5
Deferred earnings of foreign subsidiaries	2	—
Other	1	17
	$ 226	$ 209
Deferred income tax assets:		
Reserves/accruals	$ 70	$ 61
Deferred earnings of foreign subsidiaries	—	24
Net operating and capital loss carry-forwards	56	51
LIFO	7	—
Tax credit carry-forwards	21	14
Other	4	6
	158	156
Valuation allowance	59	59
Net deferred income tax liability	$ 127	$ 112

The activity within the valuation allowance account is as follows:

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(Millions of dollars)	Balance at beginning of year		Charge (credit) to expense	Balance at end of year	
Allowance for Deferred Tax Assets:					
Year Ended December 31, 2018	$	59	—	$	59
Year Ended December 31, 2017	$	58	1	$	59
Year Ended December 31, 2016	$	19	39	$	58

Management believes Seaboard's future taxable income will be sufficient for full realization of the net deferred tax assets. The valuation allowance relates to the tax benefits from foreign net operating losses and tax credits. Management does not believe these benefits are more likely than not to be realized due to limitations imposed on the utilization of these losses and credits. As of December 31, 2018, Seaboard had foreign net operating loss carry-forwards of approximately $148 million, a portion of which expire in varying amounts between 2019 and 2038, while others have indefinite expiration periods. As of December 31, 2018, Seaboard had state and foreign tax credit carry-forwards of approximately $20 million, net of valuation allowance, all of which carry-forward indefinitely.

As of December 31, 2018 and 2017, Seaboard had $25 million and $18 million, respectively, in total unrecognized tax benefits, all of which if recognized would affect the effective tax rate. It is reasonably possible that the resolution of ongoing governmental audits within 12 months of the reporting date could significantly affect the total amounts of unrecognized tax benefits. The following table is a reconciliation of the beginning and ending amount of unrecognized tax benefits:

(Millions of dollars)		2018		2017
Beginning balance at January 1	$	18	$	13
Additions for uncertain tax positions of prior years		2		3
Additions for uncertain tax positions of current year		6		3
Lapse of statute of limitations		(1)		(1)
Ending balance as of December 31	$	25	$	18

Seaboard accrues interest related to unrecognized tax benefits and penalties in income tax expense and had approximately $6 million and $3 million accrued for the payment of interest and penalties as of December 31, 2018 and 2017, respectively.

Seaboard's tax returns are regularly audited by federal, state and foreign tax authorities, which may result in material adjustments. Seaboard's 2013, 2014 and 2015 U.S. income tax returns are currently under Internal Revenue Service examination. Tax years prior to 2013 are generally no longer subject to U.S. tax assessment. In Seaboard's major non-U.S. jurisdictions, including Argentina, the Dominican Republic, Ivory Coast and Senegal, tax years are typically subject to examination for three to six years.

As of December 31, 2018, Seaboard had provided for U.S. federal income tax on $1,300 million of undistributed earnings from foreign operations in conjunction with the 2017 Tax Act. 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 the majority of these funds outside the U.S. as current plans do not demonstrate a need to repatriate them to fund Seaboard's U.S. operations and therefore, Seaboard has not recorded deferred taxes for state or foreign withholding taxes that would result upon repatriation to the U.S. Determination of the tax that might be paid on unremitted earnings if eventually remitted is not practical. If Seaboard decided at a later date to repatriate these permanently reinvested earnings to the U.S., Seaboard would be required to provide for the net tax effects on these amounts.

Seaboard has certain investments in various limited partnerships as a limited partner that are expected to enable Seaboard to obtain certain tax credits. The balance of the low-income housing investments recognized in the consolidated balance sheets as of December 31, 2018 and 2017 was $5 million and $7 million, respectively. Seaboard uses the proportional amortization method of accounting for all of its qualified affordable housing project investments by amortizing the

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initial cost of the investment in proportion to the income tax credits received and recognizing as a component of income tax expense. Seaboard also has invested in three limited liability companies that operate refined coal processing plants that generate federal income tax credits based on production levels. Seaboard's total contributions to these investments were $17 million, $10 million and $14 million during 2018, 2017 and 2016, respectively. See Note 8 for Seaboard's estimate of its funding commitment for these plants. Additionally, Seaboard invested $10 million during 2016 in two limited liability companies that operate solar energy production facilities that generate investment tax credits. These other alternative investments are accounted for using the equity method of accounting.

In February 2018, Congress retroactively extended the federal blender's credits for 2017. In accordance with U.S. GAAP, the effects of changes in tax laws, including retroactive changes, are recognized in the financial statements in the period that the changes are enacted. Accordingly, in the first quarter of 2018, a one-time tax benefit of $4 million related to the 2017 federal blender's credits was recorded in income tax expense. In addition to this amount, Seaboard recognized $42 million of federal blender's credits as non-taxable revenue in the first quarter of 2018. See Note 14 for further discussion of the federal blender's credits. The Protecting Americans from Tax Hikes Act of 2015 (the "2015 Tax Act"), signed into law in December 2015, extended the federal blender's credits provisions through December 31, 2016. Revenue was recognized ratably throughout 2016. The federal blender's credits were not renewed for 2018.

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Segment Information	12 Months Ended Dec. 31, 2018

Segment Information

Segment Information

Note 14 - Segment Information

Seaboard has six reportable segments: Pork, CT&M, Marine, Sugar and Alcohol, Power and Turkey, each offering a specific product or service. Seaboard’s reporting segments are based on information used by Seaboard’s Chief Executive Officer in his capacity as chief operating decision maker to determine allocation of resources and assess performance. Each of the six segments is separately managed, and each was started or acquired independent of the other segments. The Pork segment primarily produces and sells fresh and frozen pork products to further processors, foodservice operators, grocery stores, distributors and retail outlets throughout the U.S., and to foreign markets. This segment also produces biodiesel from pork fat and other animal fat and vegetable oil for sale to third parties. Substantially all of Seaboard’s Pork segment’s hourly employees at its processing plant are covered by a collective bargaining agreement that expires in 2019. The CT&M segment is an integrated agricultural commodity trading, processing and logistics operation that internationally markets wheat, corn, soybean meal and other agricultural commodities in bulk to third-party customers and to non-consolidated affiliates. This segment also operates flour, maize and feed mills and bakery operations in numerous foreign countries. The Marine segment provides cargo shipping services in the U.S., the Caribbean and Central and South America. The Sugar segment produces and processes sugar and alcohol in Argentina, primarily to be marketed locally. The Power segment is an independent power producer in the Dominican Republic operating a power generating barge. The Turkey segment, accounted for using the equity method, produces and sells branded and non-branded turkey products. Total assets for the Turkey segment represent Seaboard’s investment in Butterball. Revenues for the All Other segment are primarily derived from a jalapeño pepper processing operation. Below are significant segment events that impact financial results for the periods covered by this report.

During 2017 and 2016, the Pork segment acquired hog growing operations for total cash consideration of $40 million and $219 million, respectively. These hog operations’ results have been included in Seaboard’s consolidated financial statements from the dates of acquisition. See Note 2 for further information on these acquisitions. The Pork segment’s biodiesel plants have historically received federal blender’s credits for the biodiesel they blend. The 2015 Tax Act signed into law in December 2015 renewed the federal blender’s credit retroactively to January 1, 2015 with an expiration of December 31, 2016. The federal blender’s credits were not renewed in 2017, but in February 2018 Congress retroactively extended the federal blender’s credits for 2017. Seaboard recognized approximately $42 million of revenue in the first quarter of 2018 for the biodiesel it blends. There was no tax expense on this transaction. The federal blender’s credits were not renewed in 2018.

On January 5, 2018, the CT&M segment acquired flour milling and associated businesses in Senegal, Ivory Coast and Monaco for $324 million, plus an earn-out between zero and $48 million, using the exchange rate in effect at closing. During 2017, the CT&M segment acquired an elevator business in Canada for total cash consideration of $14 million. On October 28, 2016, the CT&M segment obtained control of Belarina, its non-consolidated affiliate with a flour production business in Brazil. See Note 2 for further details of these acquisitions.

The following tables set forth specific financial information about each segment as reviewed by Seaboard’s management, except for the Turkey segment information previously disclosed in Note 6 to the consolidated financial statements. Operating income for segment reporting is prepared on the same basis as that used for consolidated operating income. Operating income, along with income (loss) from affiliates for the Pork, CT&M and Turkey segments, are used as the measures of evaluating segment performance because management does not consider interest, other investment income (loss) and income tax 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. Corporate assets include short-term investments, other current assets related to deferred compensation plans, fixed assets,

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and other miscellaneous items. Corporate operating losses represent certain operating costs not specifically allocated to individual segments and include costs related to Seaboard's deferred compensation programs, which are offset by the effect of the mark-to-market adjustments on these investments recorded in other investment income (loss), net.

Sales to External Customers:

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Pork	$1,774	$1,609	$1,443
Commodity Trading and Milling	3,428	2,945	2,778
Marine	1,057	956	916
Sugar and Alcohol	184	186	147
Power	122	97	79
All Other	18	16	16
Segment/Consolidated Totals	$6,583	$5,809	$5,379

Operating Income (Loss):

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Pork	$ 117	$ 193	$ 179
Commodity Trading and Milling	46	25	38
Marine	25	21	33
Sugar and Alcohol	9	21	(12)
Power	21	9	7
All Other	2	2	2
Segment Totals	220	271	247
Corporate	(11)	(31)	(17)
Consolidated Totals	$ 209	$ 240	$ 230

Income (Loss) from Affiliates:

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Pork	$ (30)	$ (10)	$ 11
Commodity Trading and Milling	(11)	7	(10)
Marine	2	(7)	1
Sugar and Alcohol	1	1	2
Power	10	6	4
Turkey	(16)	(4)	73
Segment/Consolidated Totals	$ (44)	$ (7)	$ 81

Depreciation and Amortization:

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Pork	$ 73	$ 69	$ 56
Commodity Trading and Milling	22	10	6
Marine	24	24	26
Sugar and Alcohol	6	7	6
Power	8	8	8
Segment Totals	133	118	102
Corporate	1	—	—
Consolidated Totals	$ 134	$ 118	$ 102

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Total Assets:

(Millions of dollars)	December 31, 2018	2017
Pork	$ 1,304	$ 1,309
Commodity Trading and Milling	1,423	964
Marine	345	376
Sugar and Alcohol	138	197
Power	203	188
Turkey	295	315
All Other	8	4
Segment Totals	3,716	3,353
Corporate	1,591	1,808
Consolidated Totals	$ 5,307	$ 5,161

Investments in and Advances to Affiliates:

(Millions of dollars)	December 31, 2018	2017
Pork	$ 192	$ 231
Commodity Trading and Milling	255	240
Marine	28	28
Sugar and Alcohol	4	4
Power	30	38
Turkey	295	310
Segment/Consolidated Totals	$ 804	$ 851

Capital Expenditures:

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Pork	$ 86	$ 100	$ 69
Commodity Trading and Milling	29	15	35
Marine	18	37	19
Sugar and Alcohol	5	20	33
Power	23	1	1
Segment Totals	161	173	157
Corporate	1	—	1
Consolidated Totals	$ 162	$ 173	$ 158

Geographic Information

Seaboard had sales in South Africa totaling $589 million, $581 million and $650 million for the years ended December 31, 2018, 2017 and 2016, respectively, representing approximately 9%, 10% and 12% of total sales for each respective year. Seaboard also had sales in Colombia totaling $757 million, $495 million and $421 million for the years ended December 31, 2018, 2017 and 2016, respectively, representing approximately 11%, 9% and 8% of total sales for each respective year. No other individual foreign country accounted for 10% or more of sales to external customers.

The following table provides a geographic summary of net sales based on the location of product delivery:

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Caribbean, Central and South America	$ 2,753	$ 2,295	$ 1,990
Africa	1,668	1,483	1,572
United States	1,408	1,271	1,161

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Pacific Basin and Far East	381	393	309
Canada/Mexico	255	238	236
Europe	100	99	40
All other	18	30	71
Totals	$ 6,583	$ 5,809	$ 5,379

Management believes its allowance for doubtful accounts is adequate and reduces receivables recorded to their expected net realizable value. As of December 31, 2018 and 2017, Seaboard had approximately $327 million and $242 million, respectively, of foreign receivables, excluding receivables due from affiliates, which generally represent more of a collection risk than the domestic receivables, although as of December 31, 2018 no individual material amounts were deemed to have a heightened risk of collectability.

The following table provides a geographic summary of Seaboard's long-lived assets according to their physical location and primary port for the vessels:

	December 31,	
(Millions of dollars)	2018	2017
United States	$ 775	$ 784
Dominican Republic	109	114
Argentina	50	73
Senegal	48	—
Ivory Coast	36	—
All other	142	115
Totals	$ 1,160	$ 1,086

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Summary of Significant Accounting Policies (Policies)	12 Months Ended Dec. 31, 2018

Summary of Significant Accounting Policies

Principles of Consolidation and Investments in Affiliates

Principles of Consolidation and Investments in Affiliates

The consolidated financial statements include the accounts of Seaboard Corporation and its domestic and foreign subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. Investments in non-controlled affiliates where we have significant influence are accounted for by the equity method. Financial information from certain foreign subsidiaries and affiliates is reported on a one- to three-month lag, depending on the specific entity. As Seaboard conducts its agricultural commodity trading business with third parties, consolidated subsidiaries and affiliates on an interrelated basis, cost of sales on affiliates cannot be clearly distinguished without making numerous assumptions, primarily with respect to mark-to-market accounting for commodity derivatives.

Short-Term Investments

Short-Term Investments

Short-term investments are retained for future use in the business. Investments held by Seaboard that are categorized as trading securities are reported at their estimated fair value with any unrealized gains and losses included in other investment income (loss), net in the consolidated statements of comprehensive income. Purchases and sales are recorded on a settlement date basis. Gains and losses on sales of investments are generally based on the specific identification method.

Accounts Receivable

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and generally do not bear interest. The Power segment, however, collects interest on certain past due accounts, and the Commodity Trading and Milling (“CT&M”) segment provides extended payment terms for certain customers in certain countries due to local market conditions. The allowance for doubtful accounts is Seaboard’s best estimate of the amount of probable credit losses. For most operating segments, Seaboard uses a specific identification approach to determine, in management’s judgment, the collection value of certain past due accounts based on contractual terms. For the Marine segment, the allowance for doubtful accounts is based on an aging percentage methodology primarily based on historical write-off experience. Seaboard reviews its allowance for doubtful accounts monthly. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

(Millions of dollars)	Balance at beginning of year	Provision[1]	Net deductions[2]	Balance at end of year
Allowance for Doubtful Accounts:				
Year Ended December 31, 2018	$ 29	7	(3)	$ 33
Year Ended December 31, 2017	$ 14	16	(1)	$ 29
Year Ended December 31, 2016	$ 21	(1)	(6)	$ 14

(1) During 2018, $7 million of the provision was charged to selling, general and administrative expenses. During 2017, $12 million of the provision was charged to selling, general and administrative expenses, $2 million to income from affiliates related to reserves on convertible notes and $2 million to cost of sales related to a rebate reserve.

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

Inventories

Inventories

Seaboard uses the lower of last-in, first-out (“LIFO”) cost or market for determining inventory cost of hogs, fresh pork products and related materials. Grain, flour and feed inventories at foreign milling operations are valued at the lower of weighted average cost and net realizable

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value. All other inventories are valued at the lower of first-in, first-out (“FIFO”) cost and net realizable value.

Property, Plant and Equipment

Property, Plant and Equipment

Property, plant and equipment are carried at cost and are being depreciated on the straight-line method over useful lives, ranging from 3 to 30 years. Routine and planned major maintenance, repairs and minor renewals are expensed as incurred, while major renewals and improvements are capitalized.

Notes Receivable

Notes Receivable

Seaboard monitors the credit quality of notes receivable, the majority of which are from its affiliates. For notes receivable from affiliates, Seaboard obtains and reviews financial information on a monthly basis and Seaboard representatives serve on their Board of Directors. If it is indicated based on current information and events it is probable that Seaboard will be unable to collect all amounts due according to the contractual terms of the notes receivable and an amount can be reasonably estimated, Seaboard reduces the notes receivable to estimated realizable value.

(Millions of dollars)	Balance at beginning of year	Provision	Net deductions	Balance at end of year
Allowance for Notes Receivable:				
Year Ended December 31, 2018	$ 16	1	—	$ 17
Year Ended December 31, 2017	$ 16	—	—	$ 16
Year Ended December 31, 2016	$ —	16	—	$ 16

Goodwill and Other Intangible Assets

Goodwill and Other Intangible Assets

Goodwill is assessed annually for impairment by each reporting unit at the quarter end closest to the anniversary date of the acquisition, or more frequently if circumstances indicate that impairment is likely. If qualitative factors indicate more likely than not an impairment is possible, Seaboard performs its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and would recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit’s fair value. Based on the annual assessment conducted by these reporting units, there were no impairment charges recorded for the year ended December 31, 2018. Any one event or a combination of events such as change in the business climate, a negative change in relationships with significant customers and changes to strategic decisions, including decisions to expand made in response to economic or competitive conditions, could require an interim assessment prior to the next required annual assessment.

The changes in the carrying amount of goodwill were as follows:

(Millions of dollars)	Pork Segment	CT&M Segment	Total
Balance as of December 31, 2016	$ 18	$ 1	$ 19
Acquisition	—	3	3
Balance as of December 31, 2017	18	4	22
Acquisition	—	148	148
Foreign currency translation	—	(3)	(3)
Balance as of December 31, 2018	$ 18	$ 149	$ 167

Separable intangible assets with finite lives are amortized over their estimated useful lives. As of December 31, 2018, intangible assets were $69 million, net of accumulated amortization of $6 million and foreign currency translation of $3 million. The intangibles were as a result of a 2018 acquisition; there were no material intangible assets as of December 31, 2017. Amortization of intangible assets was $6 million for the year ended December 31, 2018. Using the exchange rates in effect at year-end, estimated amortization of intangible assets as of December 31, 2018 was as follows: $9 million in 2019, $9 million in 2020, $9 million in 2021, $9 million in 2022, $9 million in 2023 and $24 million thereafter.

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Accrued Self-Insurance

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Accrued Self-Insurance

Seaboard is self-insured for certain levels of workers' compensation, health care coverage, property damage, vehicle, product recall and general liability. The cost of these self-insurance programs is accrued based upon estimated settlements for known and anticipated claims. Changes in estimates to previously recorded reserves are reflected in current operating results.

Asset Retirement Obligation

Asset Retirement Obligation

Seaboard has recorded long-lived assets and a related liability for the asset retirement obligation costs associated with the closure of the hog lagoons it is legally obligated to close in the future should Seaboard cease operations or plan to close such lagoons voluntarily in accordance with a changed operating plan. Based on detailed assessments and appraisals obtained to estimate the future asset retirement obligation costs, Seaboard recorded the present value of the projected costs in non-current other liabilities in the consolidated balance sheets with the retirement asset depreciated over the economic life of the related asset. The following table shows the changes in the asset retirement obligation:

(Millions of dollars)	Years ended December 31, 2018	Years ended December 31, 2017
Beginning balance	$ 22	$ 19
Accretion expense	1	2
Liability for additional lagoons placed in service	—	1
Ending balance	$ 23	$ 22

Income Taxes

(Millions of dollars)	Years ended December 31, 2018	Years ended December 31, 2017
Beginning balance	$ 22	$ 19
Accretion expense	1	2
Liability for additional lagoons placed in service	—	1
Ending balance	$ 23	$ 22

Income Taxes

Deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities.

Revenue Recognition

Revenue Recognition

Seaboard recognizes revenue when control of the promised goods or services is transferred to its customers, in an amount that reflects the consideration it expects to receive in exchange for those goods or services. A performance obligation, the unit of account in Topic 606 *Revenue from Contracts with Customers* ("Topic 606"), is a promise in a contract to transfer a distinct good or service to the customer. The majority of Seaboard's revenue arrangements consist of a single performance obligation as the promise to transfer the individual product or service is not separately identifiable from other promises in the contracts, including shipping and handling and customary storage, and, therefore, not distinct. Seaboard's transaction prices are mostly fixed, but occasionally include minimal variable consideration for early payment, volume and other similar discounts, which are highly probable based on the history with the respective customers. Taxes assessed by a governmental authority that are collected by Seaboard from a customer are excluded from sales. See Note 12 for further revenue recognition details.

Use of Estimates

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") 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 consolidated financial statements and the reported amounts

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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, potential write down related to investments in and advances to affiliates and notes receivable from affiliates, income taxes and accrued pension liability. Actual results could differ from those estimates.

Earnings Per Common Share

Earnings Per Common Share

Earnings per common share are based upon the weighted average shares outstanding during the period. Basic and diluted earnings per share are the same for all periods presented.

Cash and Cash Equivalents

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, management considers all demand deposits, overnight investments and other investments with original maturities less than three months as cash equivalents. The following table shows the cash paid for interest and income taxes:

	Years ended December 31,		
(Millions of dollars)	2018	2017	2016
Interest, net of interest capitalized	$ 43	$ 30	$ 29
Income taxes, net of refunds	35	32	31

Supplemental Non-Cash Transactions

Supplemental Non-Cash Transactions

In conjunction with the January 2018 acquisition discussed further in Note 2, Seaboard incurred debt consisting of a $46 million note payable and contingent consideration with an estimated fair value of $14 million at the time of acquisition.

On October 28, 2016, Seaboard obtained control of Belarina Alimentos S.A., a flour production business in Brazil ("Belarina"). No cash or other consideration was transferred to the other shareholder whose ownership was diluted through revision of the shareholders agreement to restructure the affiliate debt and equity of Belarina. See Note 2 for the purchase price allocation table and other details.

Foreign Currency Transactions and Translation

Foreign Currency Transactions and Translation

Seaboard has operations in several foreign countries, and the currencies of the countries fluctuate in relation to the U.S. dollar. Certain of the major contracts and transactions, however, are denominated in U.S. dollars. In addition, the value of the U.S. dollar fluctuates in relation to the currencies of countries where certain of Seaboard's foreign subsidiaries and affiliates primarily conduct business. These fluctuations result in exchange gains and losses. The activities of these foreign subsidiaries and affiliates are primarily conducted with U.S. subsidiaries or operate in hyper-inflationary environments. As a result, the financial statements of certain foreign subsidiaries and affiliates are re-measured using the U.S. dollar as the functional currency.

Certain CT&M segment consolidated subsidiaries located in Brazil, Canada, Guyana, Ivory Coast, Senegal and Zambia use local currency as their functional currency. Also, certain non-controlled, non-consolidated affiliates of the CT&M and Sugar and Alcohol segments use local currency as their functional currency. Assets and liabilities of these subsidiaries are translated to United States dollars at year-end exchange rates, and income and expenses are translated at average rates. Translation gains and losses are recorded as components of other comprehensive income (loss). For the consolidated subsidiaries and non-consolidated affiliates, U.S. dollar denominated net asset or liability conversions to the local currency are recorded through income.

GAAP requires the use of highly inflationary accounting for countries whose cumulative three-year inflation exceeds 100%. In the second quarter of 2018, the Argentine peso rapidly devalued relative to the U.S. dollar, which along with increased inflation, indicated that the three-year cumulative inflation in that country exceeded 100%. As a result, Seaboard adopted highly inflationary accounting as of July 1, 2018, for Seaboard's Sugar and Alcohol segment. Under highly inflationary accounting, the Sugar and Alcohol segment's functional currency became the U.S. dollar, and its income statement and balance sheet were measured in U.S. dollars using both current and historical rates of exchange. The effect of changes in exchange rates on peso-denominated monetary assets and liabilities are reflected in foreign currency gains (losses), net. For the year ended December 31, 2018, Seaboard recognized $9 million in foreign currency gains

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related to the adoption of highly inflationary accounting as a result of its net monetary liability position.

Derivative Instruments and Hedging Activities

Derivative Instruments and Hedging Activities

Seaboard recognizes all derivatives as either assets or liabilities at their fair values. Accounting for changes in the fair value of a derivative depends on its designation and effectiveness. Derivatives qualify for treatment as hedges for accounting purposes when there is a high correlation between the change in fair value of the instrument and the related change in value of the underlying commitment. Additionally, in order to designate a derivative financial instrument as a hedge for accounting purposes, extensive record keeping is required. For derivatives that qualify as hedges for accounting purposes, the change in fair value has no net impact on earnings, to the extent the derivative is considered effective, until the hedged transaction affects earnings. For derivatives that are not designated as hedging instruments for accounting purposes, or for the ineffective portion of a hedging instrument, the change in fair value affects current period net earnings.

Seaboard uses derivative instruments to manage various types of market risks, including primarily commodity futures and option contracts, foreign currency exchange agreements, interest rate exchange agreements and equity future contracts. While management believes each of these instruments are primarily entered into in order to effectively manage various market risks, as of December 31, 2018, none of the derivatives were designated and accounted for as hedges, primarily as a result of the extensive record-keeping requirements. From time to time, Seaboard also enters into speculative derivative transactions not directly related to its raw materials requirements.

Recently Issued Accounting Standards

Recently Issued Accounting Standards Adopted

On January 1, 2018, Seaboard adopted guidance that developed a single, comprehensive revenue recognition model for all contracts with customers using the cumulative effect transition method. The adjustment to opening retained earnings, which only included the impact of contracts that were not completed at the date of adoption, was less than $1 million. All of Seaboard's equity method investments must adopt the new standard by December 31, 2019. See Note 12 for additional details on the impact of adopting this new accounting standard.

On January 1, 2018, Seaboard adopted guidance that requires the service cost component of net periodic benefit cost to be presented in the same income statement line item as other employee compensation costs arising from services rendered during the period. Only the service cost component is eligible for capitalization in inventory. The other components of net periodic benefit cost are presented outside of operating income and are not capitalizable. For the years ended December 31, 2017 and 2016, $8 million of net periodic benefit cost was reclassified from selling, general and administrative expenses to miscellaneous, net below operating income. Seaboard elected to apply the practical expedient to estimate amounts for comparative periods.

On January 1, 2018, Seaboard adopted guidance that eliminated cost method accounting and requires measuring equity investments, other than those accounted for using the equity method of accounting, at fair value and recognizing fair value changes in net income if a readily determinable fair value exists. On January 1, 2018, $7 million of accumulated other comprehensive loss was reclassified to retained earnings by means of a cumulative effect adjustment, and all future gains/losses on these equity investments is reflected in other investment income (loss), net. As of January 1, 2018, Seaboard had minimal investments without readily determinable fair values, which will be recorded at cost, less impairment, and plus or minus subsequent adjustments for observable price changes.

Recently Issued Accounting Standard Not Yet Adopted

In February 2016, the Financial Accounting Standards Board ("FASB") issued guidance that a lessee should record a right-of-use ("ROU") asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are to be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The recognition, measurement, and presentation of expenses and cash flows arising from a financing lease have not significantly changed from the previous guidance. For operating leases, a lessee is required to: (1) recognize a ROU asset and a lease liability, initially measured at the present value of the lease payments, in the balance sheet, (2) recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term on a generally straight-line basis; and (3) classify

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all cash payments within operating activities in the statement of cash flows. Seaboard will adopt this guidance on January 1, 2019, for all consolidated subsidiaries and plans to apply most practical expedients and the optional transition relief issued in July 2018 that permits the recognition and measurement of leases at the date of adoption. Therefore, Seaboard will not restate comparative period financial information for the effects of this accounting standard. While Seaboard continues its process of assessing its leases and evaluating the effects this guidance will have on its consolidated financial statements, Seaboard expects the adoption will increase its assets approximately $460 million and its liabilities approximately $500 million for operating lease ROU assets and liabilities. Seaboard believes the most significant effects will relate to the recognition of new ROU assets and lease liabilities on its balance sheet for port and contract grower operating leases. Seaboard is in the process of implementing a new lease accounting system and evaluating its processes and internal controls. See Note 8 for information about Seaboard’s lease obligations.

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Summary of Significant Accounting Policies (Tables)	12 Months Ended Dec. 31, 2018

Summary of Significant Accounting Policies

Schedule of allowance for doubtful accounts

(Millions of dollars)	Balance at beginning of year	Provision[1]	Net deductions[2]	Balance at end of year
Allowance for Doubtful Accounts:				
Year Ended December 31, 2018	$ 29	7	(3)	$ 33
Year Ended December 31, 2017	$ 14	16	(1)	$ 29
Year Ended December 31, 2016	$ 21	(1)	(6)	$ 14

(1) During 2018, $7 million of the provision was charged to selling, general and administrative expenses. During 2017, $12 million of the provision was charged to selling, general and administrative expenses, $2 million to income from affiliates related to reserves on convertible notes and $2 million to cost of sales related to a rebate reserve.

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

Schedule of allowance for notes receivable

(Millions of dollars)	Balance at beginning of year	Provision	Net deductions	Balance at end of year
Allowance for Notes Receivable:				
Year Ended December 31, 2018	$ 16	1	—	$ 17
Year Ended December 31, 2017	$ 16	—	—	$ 16
Year Ended December 31, 2016	$ —	16	—	$ 16

Schedule of changes in the carrying amount of goodwill

(Millions of dollars)	Pork Segment	CT&M Segment	Total
Balance as of December 31, 2016	$ 18	$ 1	$ 19
Acquisition	—	3	3
Balance as of December 31, 2017	18	4	22
Acquisition	—	148	148
Foreign currency translation	—	(3)	(3)
Balance as of December 31, 2018	$ 18	$ 149	$ 167

Schedule of changes in the asset retirement obligation

(Millions of dollars)	Years ended December 31, 2018	2017
Beginning balance	$ 22	$ 19
Accretion expense	1	2
Liability for additional lagoons placed in service	—	1
Ending balance	$ 23	$ 22

Schedule of amounts paid for interest and income taxes

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(Millions of dollars)	Years ended December 31, 2018	2017	2016
Interest, net of interest capitalized	$ 43	$ 30	$ 29
Income taxes, net of refunds	35	32	31

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Acquisitions (Tables)	12 Months Ended Dec. 31, 2018

Mimran

Acquisitions

Summary of total purchase price for this acquisition subject to working capital adjustment, based on acquisition date fair values and using the exchange rate in effect at the time of acquisition

(Millions of dollars)	Fair Value
Cash payment, net of $64 million of cash acquired	$ 264
Euro-denominated note payable due 2021, 3.25% interest	46
Contingent consideration	14
Total fair value of consideration at acquisition date	$ 324

Schedule of allocation of purchase price

(Millions of dollars)	Fair Value
Current assets	$ 83
Property, plant and equipment	91
Intangible assets	78
Goodwill	148
Other long-term assets	4
Total fair value of assets acquired	404
Current liabilities	(38)
Other long-term liabilities	(38)
Total fair value of liabilities assumed	(76)
Less: Noncontrolling interest	(4)
Net fair value of assets acquired	$ 324

Schedule of proforma information related to acquisitions

(Unaudited) *(Millions of dollars except per share amounts)*	Year ended December 31, 2018	2017
Net sales	$ 6,643	$ 6,095
Net earnings (loss)	$ (13)	$ 272
Earnings (loss) per	$(10.90)	$233.45

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common share

New Fashion Pork, LLP

Acquisitions

Schedule of allocation of purchase price

(Millions of dollars)	
Inventories	$ 6
Property, plant and equipment	34
Total consideration transferred	$ 40

Texas Farm LLC

Acquisitions

Schedule of allocation of purchase price

(Millions of dollars)	
Inventories	$ 16
Property, plant and equipment	42
Goodwill	3
Accounts payable	(2)
Total consideration transferred	$ 59

Christensen Farms

Acquisitions

Schedule of allocation of purchase price

(Millions of dollars)	
Inventories	$ 33
Property, plant and equipment	111
Intangible assets	1
Goodwill	3
Total consideration transferred	$148

Belarina

Acquisitions

Schedule of allocation of purchase price

(Millions of dollars)	
Accounts receivable	$ 7
Inventories	6
Property, plant and equipment	25
Other assets	4
Goodwill	1
Third-party debt	(14)
Other liabilities	(11)
Total business valuation	$ 18

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Fair value of pre-existing interest	$ 18

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Investments (Tables)	12 Months Ended Dec. 31, 2018

Investments

Summary of the estimated fair value of short-term investments classified as trading securities

	December 31, 2018	December 31, 2017
(Millions of dollars)	Fair Value	Fair Value
Domestic equity securities	$ 632	$ 752
Domestic debt securities	268	439
Foreign equity securities	218	319
Money market funds held in trading accounts	146	10
Collateralized loan obligations	28	29
High yield securities	19	21
Foreign debt securities	16	—
Term deposits	9	—
Other trading securities	—	6
Total trading short-term investments	$ 1,336	$ 1,576

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Inventories (Tables) | **12 Months Ended Dec. 31, 2018**

Inventories

Summary of inventories

(Millions of dollars)	December 31, 2018	December 31, 2017
At lower of LIFO cost or market:		
Hogs and materials	$ 361	$ 313
Fresh pork and materials	36	28
LIFO adjustment	(58)	(31)
Total inventories at lower of LIFO cost or market	339	310
At lower of FIFO cost and net realizable value:		
Grains, oilseeds and other commodities	229	253
Sugar produced and in process	17	38
Other	81	90
Total inventories at lower of FIFO cost and net realizable value	327	381
Grain, flour and feed at lower of weighted average cost and net realizable value	149	89
Total inventories	$ 815	$ 780

Schedule of reserve for LIFO valuation

(Millions of dollars)	Balance at beginning of year	Increase (decrease)	Balance at end of year
Reserve for LIFO Valuation:			
Year Ended December 31, 2018	$ 31	27	$ 58
Year Ended December 31, 2017	$ 21	10	$ 31
Year Ended December 31, 2016	$ 28	(7)	$ 21

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Net Property, Plant and Equipment (Tables)	12 Months Ended Dec. 31, 2018
Net Property, Plant and Equipment	
Summary of property, plant and equipment	

(Millions of dollars)	Useful Lives	December 31, 2018	December 31, 2017
Land and improvements	3 -15years	$ 238	$ 224
Buildings and improvements	30years	591	525
Machinery and equipment	3 -20years	1,298	1,253
Vessels and vehicles	3 -18years	147	136
Office furniture and fixtures	5 years	36	34
Construction in progress		96	56
		2,406	2,228
Accumulated depreciation and amortization		(1,246)	(1,151)
Net property, plant and equipment		$ 1,160	$ 1,077

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Investments in and Advances to Affiliates and Notes Receivable from Affiliates (Tables)	12 Months Ended
	Dec. 31, 2018

Pork

Investments in and Advances to Affiliates and Notes Receivable from Affiliates

Schedule of combined condensed financial information of non-controlled, non-consolidated affiliates

Pork Segment	December 31,		
(Millions of dollars)	2018	2017	2016
Net sales	$ 927	$ 441	$ 319
Net income (loss)	$ (60)	$ (21)	$ 22
Total assets	$ 623	$ 596	$ 364
Total liabilities	$ 243	$ 138	$ 14
Total equity	$ 380	$ 458	$ 350

CT&M

Investments in and Advances to Affiliates and Notes Receivable from Affiliates

Schedule of combined condensed financial information of non-controlled, non-consolidated affiliates

Commodity Trading and Milling Segment	December 31,		
(Millions of dollars)	2018	2017	2016
Net sales	$3,238	$2,907	$2,871
Net income (loss)	$ (13)	$ 23	$ (6)
Total assets	$1,914	$1,793	$1,201
Total liabilities	$1,242	$1,150	$ 734
Total equity	$ 672	$ 643	$ 467

Marine

Investments in and Advances to Affiliates and Notes Receivable from Affiliates

Schedule of combined condensed financial information of non-controlled, non-consolidated affiliates

Marine Segment	December 31,		
(Millions of dollars)	2018	2017	2016
Net sales	$ 66	$ 58	$ 47
Net income	$ 11	$ 5	$ 7
Total assets	$ 272	$ 229	$ 277
Total liabilities	$ 133	$ 114	$ 109
Total equity	$ 139	$ 115	$ 168

Sugar and Alcohol

Investments in and Advances to Affiliates and Notes Receivable from Affiliates

Schedule of combined condensed financial information of non-controlled, non-consolidated affiliates

Sugar and Alcohol Segment	December 31,		
(Millions of dollars)	2018	2017	2016
Net sales	$ 5	$ 10	$ 10
Net income	$ 3	$ 2	$ 3
Total assets	$ 10	$ 10	$ 10
Total liabilities	$ 2	$ 2	$ 2
Total equity	$ 8	$ 8	$ 8

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Power

Investments in and Advances to Affiliates and Notes Receivable from Affiliates

Schedule of combined condensed financial information of non-controlled, non-consolidated affiliates

Power Segment	December 31,		
(Millions of dollars)	2018	2017	2016
Net sales	$ 138	$ 105	$ 146
Net income	$ 33	$ 23	$ 14
Total assets	$ 247	$ 265	$ 261
Total liabilities	$ 139	$ 145	$ 175
Total equity	$ 108	$ 120	$ 86

Turkey

Investments in and Advances to Affiliates and Notes Receivable from Affiliates

Schedule of combined condensed financial information of non-controlled, non-consolidated affiliates

Turkey Segment	December 31,		
(Millions of dollars)	2018	2017	2016
Net sales	$1,591	$1,670	$1,813
Operating income (loss)	$ (16)	$ 15	$ 162
Net income (loss)	$ (30)	$ (8)	$ 139
Total assets	$1,072	$ 999	$1,154
Total liabilities	$ 502	$ 400	$ 529
Total equity	$ 570	$ 599	$ 625

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Notes Payable and Long-Term Debt (Tables)

12 Months Ended Dec. 31, 2018

Notes Payable and Long-term Debt

Summary of long-term debt

(Millions of dollars)	December 31, 2018	December 31, 2017
Term Loan due 2028	$ 698	$ —
Term Loan due 2022	—	484
Foreign subsidiary obligations due 2019 through 2023	81	52
Total long-term debt at face value	779	536
Current maturities of long-term debt and unamortized discount and costs	(40)	(54)
Long-term debt, less current maturities and unamortized discount and costs	$ 739	$ 482

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Commitments and Contingencies (Tables)	12 Months Ended Dec. 31, 2018

Commitments and Contingencies

Schedule of non-cancelable purchase commitments and commitments under other agreements

(Millions of dollars)	Years ended December 31, 2019	2020	2021	2022	2023	Thereafter	Totals
Hog procurement contracts [a]	$ 69	$ 71	$ 78	$ 64	$ 46	$ 34	$ 362
Grain and feed ingredients [a]	116	2	—	—	—	—	118
Grain purchase contracts for resale [b]	564	—	—	—	—	—	564
Fuel supply contracts [c]	31	—	49	49	49	352	530
Equipment and other purchase commitments	73	—	—	—	—	—	73
Total firm purchase commitments	$ 853	$ 73	$ 127	$ 113	$ 95	$ 386	$ 1,647
Ports [d]	18	18	19	19	20	109	203
Vessel, time and voyage-charters [e]	58	27	26	13	8	25	157
Contract grower agreements [f]	47	41	37	27	18	61	231
Other operating lease payments	18	13	9	8	6	15	69
Total operating lease payments	$ 141	$ 99	$ 91	$ 67	$ 52	$ 210	$ 660
Power barge and pork plant expansion [g]	138	71	9	—	—	—	218
Investment in affiliates [h]	14	9	9	—	—	—	32
Total unrecognized non-cancelable commitments	$ 1,146	$ 252	$ 236	$ 180	$ 147	$ 596	$ 2,557

(a) Seaboard has contracted with third parties for the purchase of hogs and has entered into grain and feed purchase contracts to support its hog operations. The amounts included in the table are based on projected market prices as of December 31, 2018. During 2018, 2017 and 2016, the Pork segment paid $77 million, $99 million and $133 million, respectively, for hogs purchased under committed contracts.

(b) The CT&M segment enters into grain purchase contracts, primarily to support firm sales commitments. These contracts are valued based on projected commodity prices as of December 31, 2018.

(c) The Power segment has a natural gas supply contract for a significant portion of the fuel required for the operation of its existing facility and barge under construction. The commitments have both fixed and variable price components, and the amount included in the table above is partially based on market prices as of December 31, 2018. The Marine segment also has fuel purchase contracts.

(d) Seaboard also leases various facilities and equipment under non-cancelable operating lease agreements including a terminal operations agreement at PortMiami, which runs through 2028. Rental expense for operating leases for all segments amounted to $46 million, $44 million and $43 million in 2018, 2017 and 2016, respectively.

(e) The Marine and CT&M segments enter into contracts to charter vessels for use in their operations, which include short-term time charters for a few months and long-term commitments ranging from less than one year to over three years. These segments' charter hire expenses during 2018, 2017 and 2016 totaled $111 million, $96 million and $95 million, respectively.

(f) To support the operations of the Pork segment, Seaboard has contract grower agreements in place with farmers to raise a portion of Seaboard's hogs according to Seaboard's

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specifications under long-term service agreements. During the years ended 2018, 2017 and 2016, Seaboard paid $48 million, $37 million and $26 million, respectively, under contract grower agreements.

(g) In November 2018, Seaboard's Power segment entered into a contract to build a floating power barge with operations anticipated to begin in the first quarter of 2021. The total cost of the project is estimated to exceed $160 million. In the third quarter of 2018, Seaboard's Pork segment entered into an approximate $103 million construction contract to expand its Oklahoma, pork processing plant during 2019 and 2020. These assets are under construction, so expected payments may vary based on timing of milestones achieved.

Investment in affiliates represents obligations made to equity method investments, primarily for expected funding commitments to three limited liability companies that operate refined coal processing plants.

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Employee Benefits (Tables)	12 Months Ended Dec. 31, 2018

Employee Benefits

Schedule of Plans' assets measured at estimated fair value

(Millions of dollars)	December 31, 2018	Level 1	Level 2	Level 3
Assets:				
Domestic equity securities	$ 69	$ 69	$ —	$ —
Foreign equity securities	47	47	—	—
Domestic fixed income mutual funds	27	27	—	—
Foreign fixed income mutual funds	11	11	—	—
Money market funds	2	2	—	—
Total assets	$ 156	$ 156	$ —	$ —

(Millions of dollars)	December 31, 2017	Level 1	Level 2	Level 3
Assets:				
Domestic equity securities	$ 80	$ 80	$ —	$ —
Foreign equity securities	53	53	—	—
Domestic fixed income mutual funds	25	25	—	—
Foreign fixed income mutual funds	11	11	—	—
Money market funds	2	2	—	—
Total assets	$ 171	$ 171	$ —	$ —

Schedule of assumptions used in determining pension information for plans

	Years ended December 31, 2018	2017	2016
Weighted average assumptions			
Discount rate used to determine obligations	3.50-4.50%	2.75-3.80%	2.90-4.65%
Discount rate used to determine net periodic benefit cost	2.75-3.80%	2.90-4.60%	3.20-4.80%
Expected return on plan assets	6.25%	6.50%	6.75-7.00%
Long-term rate of increase in compensation levels	4.00%	4.00%	4.00%

Schedule of the funded status

(Millions of dollars)	December 31, 2018	2017
Reconciliation of benefit obligation:		
Benefit obligation at beginning of year	$ 300	$ 262
Service cost	10	9
Interest cost	11	11

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Actuarial losses (gains)	(22)	29
Plan settlements	—	(9)
Benefits paid	(6)	(3)
Other	—	1
Benefit obligation at end of year	$ 293	$ 300
Reconciliation of fair value of plan assets:		
Fair value of plan assets at beginning of year	$ 171	$ 151
Actual return on plan assets	(11)	25
Employer contributions	2	10
Plan settlements	—	(9)
Benefits paid	(6)	(6)
Fair value of plan assets at end of year	$ 156	$ 171
Funded status	$ (137)	$ (129)

Schedule of net periodic benefit cost of plans

	Years ended December 31,		
(Millions of dollars)	2018	2017	2016
Components of net periodic benefit cost:			
Service cost	$ 10	$ 9	$ 9
Interest cost	11	11	11
Expected return on plan assets	(11)	(10)	(8)
Amortization and other	6	5	5
Settlement loss recognized	—	2	—
Net periodic benefit cost	$ 16	$ 17	$ 17

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Derivatives and Fair Value of Financial Instruments (Tables)

12 Months Ended

Dec. 31, 2018

Derivatives and Fair Value of Financial Instruments

Schedule of assets and liabilities measured at fair value on a recurring basis

(Millions of dollars)	December 31, 2018	Level 1	Level 2	Level 3
Assets:				
Trading securities – short-term investments:				
Domestic equity securities	$ 632	$ 632	$ —	$ —
Domestic debt securities	268	215	53	—
Foreign equity securities	218	218	—	—
Money market funds held in trading accounts	146	146	—	—
Collateralized loan obligations	28	—	28	—
High yield securities	19	7	12	—
Foreign debt securities	16	2	14	—
Term deposits	9	9	—	—
Other trading securities	5	5	—	—
Trading securities – other current assets:				
Domestic equity securities	32	32	—	—
Money market funds held in trading accounts	5	5	—	—
Foreign equity securities	3	3	—	—
Fixed income securities	3	3	—	—
Other	1	1	—	—
Derivatives:				
Commodities [(1)]	6	4	2	—
Foreign currencies	2	—	2	—
Total assets	$ 1,393	$ 1,282	$ 111	$ —
Liabilities:				
Trading securities – short-term investments:				
Other trading securities	$ 5	$ —	$ 5	$ —
Contingent consideration	13	—	—	13
Derivatives:				
Commodities [(1)]	4	4	—	—
Total liabilities	$ 22	$ 4	$ 5	$ 13

[(1)] Seaboard's commodity derivative assets and liabilities are presented in the consolidated balance sheets on a net basis, including netting the derivatives with the related margin accounts. As of December 31, 2018, the commodity derivatives had a margin account balance of $15 million resulting in a net other current asset in the consolidated balance sheet of $17 million.

(Millions of dollars)	December 31, 2017	Level 1	Level 2	Level 3
Assets:				
Trading securities – short-term investments:				
Domestic equity securities	$ 752	$ 752	$ —	$ —
Domestic debt securities held in mutual funds/ETFs/U.S. Treasuries	439	438	1	—
Foreign equity securities	319	319	—	—
Collateralized loan obligations	29	—	29	—
High yield securities	21	21	—	—
Money market funds held in trading accounts	10	10	—	—
Other trading securities	6	6	—	—
Trading securities – other current assets:				
Domestic equity securities	35	35	—	—
Money market funds held in trading accounts	5	5	—	—
Foreign equity securities	4	4	—	—
Fixed income securities	2	2	—	—
Derivatives:				
Commodities [(1)]	4	4	—	—
Foreign currencies	3	—	3	—
Total assets	$ 1,629	$ 1,596	$ 33	$ —
Liabilities:				
Derivatives:				

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Commodities [1]	$ 6	$ 6	$ —	$ —
Foreign currencies	6	—	6	—
Total liabilities	$ 12	$ 6	$ 6	$ —

[1] Seaboard's commodity derivative assets and liabilities are presented in the consolidated balance sheets on a net basis, including netting the derivatives with the related margin accounts. As of December 31, 2017, the commodity derivatives had a margin account balance of $20 million resulting in a net other current asset in the consolidated balance sheet of $18 million.

Schedule of gain or (loss) recognized for each type of derivative and its location in the condensed consolidated statements of comprehensive income

(Millions of dollars)		2018	2017
Commodities	Cost of sales	$ (12)	$ (9)
Foreign currencies	Cost of sales	2	(7)
Foreign currencies	Foreign currency gains (losses), net	1	(1)
Equity	Other investment income (loss), net	(6)	—

Schedule of fair value of each type of derivative and its location in the condensed consolidated balance sheets

		Asset Derivatives			Liability Derivatives	
(Millions of dollars)		December 31, 2018	December 31, 2017		December 31, 2018	December 31, 2017
Commodities [1]	Other current assets	$ 6	$ 4	Other current liabilities	$ 4	$ 6
Foreign currencies	Other current assets	2	3	Other current liabilities	—	6
Equity	Short-term investments	—	—	Short-term investments	5	—

[1] Seaboard's commodity derivative assets and liabilities are presented in the consolidated balance sheets on a net basis, including netting the derivatives with the related margin accounts. As of December 31, 2018 and 2017, the commodity derivatives had a margin account balance of $15 million and $20 million, respectively, resulting in a net other current asset in the consolidated balance sheets of $17 million and $18 million, respectively. Seaboard's equity derivatives are also presented on a net basis, including netting the derivatives within short-term investments.

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Stockholders' Equity and Accumulated Other Comprehensive Loss (Tables)	12 Months Ended
	Dec. 31, 2018

Stockholders' Equity and Accumulated Other Comprehensive Loss

Schedule of components of accumulated other comprehensive loss, net of related taxes

(Millions of dollars)	Cumulative Foreign Currency Translation Adjustment	Unrealized Gain on Investments	Unrecognized Pension Cost	Total
Balance December 31, 2016	$ (254)	$ 2	$ (52)	$(304)
Other comprehensive income (loss) before reclassifications	(6)	5	(8)	(9)
Amounts reclassified from accumulated other comprehensive loss to net earnings	—	—	4 [1]	4
Other comprehensive income (loss), net of tax	(6)	5	(4)	(5)
Amounts reclassified from accumulated other comprehensive loss to retained earnings	(37)[2]	—	(8)[2]	(45)
Balance December 31, 2017	$ (297)	$ 7	$ (64)	$(354)
Other comprehensive loss before reclassifications	(52)	—	(1)	(53)
Amounts reclassified from accumulated other comprehensive loss to net loss	—	—	4 [1]	4
Other comprehensive income (loss), net of tax	(52)	—	3	(49)
Amounts reclassified from accumulated other comprehensive loss to retained earnings	—	(7)[3]	—	(7)
Balance December 31, 2018	$ (349)	$ —	$ (61)	$(410)

[1] This primarily represents the amortization of actuarial losses that were included in net periodic pension cost and recorded in operating income. See Note 9 for further discussion.

[2] This represents the adoption of accounting guidance to reclassify $45 million of tax effects from accumulated other comprehensive loss to retained earnings in the consolidated financial statements for the year ended December 31, 2017.

[3] Effective January 1, 2018, upon adoption of new guidance, all unrealized gains (losses) on investments are included in the consolidated statement of comprehensive income. The accumulated other comprehensive income balance as of December 31, 2017, was reclassified to retained earnings on January 1, 2018.

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Revenue Recognition (Tables)	12 Months Ended Dec. 31, 2018

Revenue Recognition

Schedule of sales disaggregated by revenue source and segment

(Millions of dollars)	Pork	Commodity Trading & Milling	Marine	Sugar and Alcohol	Power	All Other	Consolidated Totals
	Year Ended December 31, 2018						
Major Products/ Services Lines:							
Products	$ 1,451	$ 3,410	$ —	$ 173	$ —	$ 18	$ 5,052
Transportation	9	—	1,057	—	—	—	1,066
Energy	282	—	—	11	122	—	415
Other	32	18	—	—	—	—	50
Segment/ Consolidated Totals	$ 1,774	$ 3,428	$ 1,057	$ 184	$ 122	$ 18	$ 6,583

ASU 2014-09

Revenue Recognition

Schedule of impacts of adopting ASU 2014-09

Consolidated Statement of Comprehensive Income

(Millions of dollars)	Balances Without Adoption of Topic 606	Adjustments	As Reported
	Year ended December 31, 2018		
Total net sales	$ 6,555	$ 28	$ 6,583
Total cost of sales	$ 6,032	$ 28	$ 6,060

Consolidated Balance Sheet (Millions of dollars)	Balances Without Adoption of Topic 606	Adjustments	As Reported
	December 31, 2018		
Net receivables	$ 544	$ 7	$ 551
Inventories	$ 860	$ (45)	$ 815
Deferred revenue	$ 77	$ (38)	$ 39

Consolidated Statement of Cash Flows (Millions of dollars)	Balances Without Adoption of Topic 606	Adjustments	As Reported
	Year ended December 31, 2018		
Changes in assets and liabilities, net of acquisitions:			
Receivables, net of allowance	$ (51)	$ (7)	$ (58)
Inventories	$ (79)	$ 45	$ (34)
Current liabilities, exclusive of debt	$ 16	$ (38)	$ (22)

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Income Taxes (Tables)	12 Months Ended Dec. 31, 2018

Income Taxes

Schedule of reconciliation of computed expected tax expense excluding non-controlling interest to income tax expense (benefit) attributable to continuing operations

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Computed "expected" tax expense (benefit) excluding noncontrolling interests	$ (3)	$ 150	$ 134
Adjustments to tax expense (benefit) attributable to:			
Foreign tax differences	12	(22)	(14)
Tax-exempt income	(13)	—	(15)
State income taxes, net of federal benefit	(8)	9	5
Repatriation tax	14	112	—
Effect on deferreds of federal rate reduction	—	(47)	—
Foreign entity tax status change	22	—	—
Federal tax credits	(23)	(18)	(31)
Federal rate reduction effect on capital loss carryback	(3)	—	—
Domestic manufacturing deduction	—	(2)	(5)
Other	3	(1)	(4)
Total income tax expense	$ 1	$ 181	$ 70

Schedule of components of earnings before income taxes

(Millions of dollars)	Years ended December 31, 2018	2017	2016
United States	$(109)	$ 273	$ 272
Foreign	93	155	110
Total earnings (loss) excluding noncontrolling interests	(16)	428	382
Net loss (income) attributable to noncontrolling interests	—	1	(2)
Total earnings (loss) before income taxes	$ (16)	$ 427	$ 384

Schedule of components of total income taxes

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Current:			
Federal	$ (20)	$ 118	$ (1)
Foreign	32	19	21
State and local	—	2	7
Deferred:			
Federal	5	20	36
Foreign	(5)	10	4
State and local	(11)	12	3
Income tax expense	1	181	70
Unrealized changes in other comprehensive income (loss)	2	(3)	(12)
Total income taxes	$ 3	$ 178	$ 58

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Schedule of components of the net deferred income tax liability

(Millions of dollars)	December 31, 2018	December 31, 2017
Deferred income tax liabilities:		
Depreciation	$ 140	$ 92
Domestic partnerships	78	92
LIFO	—	3
Cash basis farming adjustment	5	5
Deferred earnings of foreign subsidiaries	2	—
Other	1	17
	$ 226	$ 209
Deferred income tax assets:		
Reserves/accruals	$ 70	$ 61
Deferred earnings of foreign subsidiaries	—	24
Net operating and capital loss carry-forwards	56	51
LIFO	7	—
Tax credit carry-forwards	21	14
Other	4	6
	158	156
Valuation allowance	59	59
Net deferred income tax liability	$ 127	$ 112

Schedule of activity within the valuation allowance account

(Millions of dollars)	Balance at beginning of year	Charge (credit) to expense	Balance at end of year
Allowance for Deferred Tax Assets:			
Year Ended December 31, 2018	$ 59	—	$ 59
Year Ended December 31, 2017	$ 58	1	$ 59
Year Ended December 31, 2016	$ 19	39	$ 58

Schedule of reconciliation of the beginning and ending amount of unrecognized tax benefits

(Millions of dollars)	2018	2017
Beginning balance at January 1	$ 18	$ 13
Additions for uncertain tax positions of prior years	2	3
Additions for uncertain tax positions of current year	6	3
Lapse of statute of limitations	(1)	(1)
Ending balance as of December 31	$ 25	$ 18

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Segment Information (Tables)	12 Months Ended Dec. 31, 2018

Segment Information

Summary of specific financial information related to sales to external customers

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Pork	$1,774	$1,609	$1,443
Commodity Trading and Milling	3,428	2,945	2,778
Marine	1,057	956	916
Sugar and Alcohol	184	186	147
Power	122	97	79
All Other	18	16	16
Segment/ Consolidated Totals	$6,583	$5,809	$5,379

Summary of specific financial information related to operating income (loss)

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Pork	$117	$193	$179
Commodity Trading and Milling	46	25	38
Marine	25	21	33
Sugar and Alcohol	9	21	(12)
Power	21	9	7
All Other	2	2	2
Segment Totals	220	271	247
Corporate	(11)	(31)	(17)
Consolidated Totals	$209	$240	$230

Summary of specific financial information related to income (loss) from affiliates

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Pork	$(30)	$(10)	$ 11
Commodity Trading and Milling	(11)	7	(10)
Marine	2	(7)	1
Sugar and Alcohol	1	1	2
Power	10	6	4
Turkey	(16)	(4)	73
Segment/ Consolidated Totals	$(44)	$ (7)	$ 81

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Summary of specific financial information related to depreciation and amortization

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Pork	$ 73	$ 69	$ 56
Commodity Trading and Milling	22	10	6
Marine	24	24	26
Sugar and Alcohol	6	7	6
Power	8	8	8
Segment Totals	133	118	102
Corporate	1	—	—
Consolidated Totals	$134	$118	$102

Summary of specific financial information related to total assets

(Millions of dollars)	December 31, 2018	2017
Pork	$1,304	$1,309
Commodity Trading and Milling	1,423	964
Marine	345	376
Sugar and Alcohol	138	197
Power	203	188
Turkey	295	315
All Other	8	4
Segment Totals	3,716	3,353
Corporate	1,591	1,808
Consolidated Totals	$5,307	$5,161

Summary of specific financial information related to investments in and advances to affiliates

(Millions of dollars)	December 31, 2018	2017
Pork	$ 192	$ 231
Commodity Trading and Milling	255	240
Marine	28	28
Sugar and Alcohol	4	4
Power	30	38
Turkey	295	310
Segment/Consolidated Totals	$ 804	$ 851

Summary of specific financial information related to capital expenditures

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Pork	$ 86	$100	$ 69
Commodity Trading and Milling	29	15	35
Marine	18	37	19
Sugar and Alcohol	5	20	33
Power	23	1	1
Segment Totals	161	173	157

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Corporate	1	—	1
Consolidated Totals	$162	$173	$158

[Geographic summary of net sales based on the location of product delivery]

(Millions of dollars)	Years ended December 31, 2018	2017	2016
Caribbean, Central and South America	$ 2,753	$ 2,295	$ 1,990
Africa	1,668	1,483	1,572
United States	1,408	1,271	1,161
Pacific Basin and Far East	381	393	309
Canada/ Mexico	255	238	236
Europe	100	99	40
All other	18	30	71
Totals	$ 6,583	$ 5,809	$ 5,379

[Geographic summary of the entity's long-lived assets according to their physical location and primary port for the vessels]

(Millions of dollars)	December 31, 2018	2017
United States	$ 775	$ 784
Dominican Republic	109	114
Argentina	50	73
Senegal	48	—
Ivory Coast	36	—
All other	142	115
Totals	$1,160	$1,086

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Summary of Significant Accounting Policies (Details) - USD ($) $ in Millions			3 Months Ended	12 Months Ended			24 Months Ended	
	Jan. 05, 2018	Oct. 28, 2016	Jun. 30, 2018	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2018	Dec. 31, 2017
Operations of Seaboard Corporation and its Subsidiaries								
Percentage of ownership interest held by Seaboard Flour LLC and SFC Preferred LLC (Parent Companies)				76.00%			76.00%	
Goodwill and Other Intangible Assets								
Impairment charges				$ 0				
Goodwill								
Goodwill, beginning balance				22	$ 19		$ 19	
Acquisition				148	3			
Foreign currency translation				(3)				
Goodwill, ending balance				167	22	$ 19	167	$ 22
Intangible assets								
Other intangible assets, net				69	2		69	2
Accumulated amortization				6			6	
Foreign currency translation				3				
Finite-Lived Intangible Assets, Net, Amortization Expense, Fiscal Year Maturity [Abstract]								
Amortization of intangible assets				6				
2019				9			9	
2020				9			9	
2021				9			9	
2022				9			9	
2023				9			9	
Thereafter				24			24	
Changes in the asset retirement obligation								
Beginning balance				22	19		19	
Accretion expense				1	2			
Liability for additional lagoons placed in service					1			
Ending balance				23	22	19	23	22
Cash and Cash Equivalents								
Interest				43	30	29		
Income taxes (net of refunds)				35	32	31		
Foreign Currency Transactions and Translation								
Period of measurement to determine highly inflationary accounting			3 years					
Three-year cumulative inflation rate			100.00%					

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Foreign currency gains related to the adoption of highly inflationary accounting			$ 9				
Minimum							
Principles of Consolidation and Investments in Affiliates							
Time lag for reporting financial information			1 month				
Property, Plant and Equipment							
Useful Lives			3 years				
Maximum							
Principles of Consolidation and Investments in Affiliates							
Time lag for reporting financial information			3 months				
Property, Plant and Equipment							
Useful Lives			30 years				
Mimran							
Principles of Consolidation and Investments in Affiliates							
Time lag for reporting financial information			3 months				
Goodwill							
Goodwill, ending balance			$ 148			148	
Supplemental Non-Cash Transactions							
Acquisition related debt	$ 46						
Contingent consideration	$ 14						
Belarina							
Supplemental Non-Cash Transactions							
Acquisition of business, cash consideration		$ 0					
Pork							
Goodwill							
Goodwill, beginning balance			18	18		18	
Goodwill, ending balance			18	18	18	18	18
CT&M							
Goodwill							
Goodwill, beginning balance			4	1		1	
Acquisition			148	3			
Foreign currency translation			(3)				
Goodwill, ending balance			149	4	1	149	4
CT&M | Belarina							
Principles of Consolidation and Investments in Affiliates							
Time lag for reporting financial information		3 months					

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Goodwill						
Goodwill, ending balance	$ 1					
Supplemental Non-Cash Transactions						
Acquisition of business, cash consideration	$ 0					
Allowance for Doubtful Accounts						
Movement in valuation and qualifying accounts						
Balance at beginning of year		29	14	21	14	21
Provision		7	16	(1)		
Net deductions		(3)	(1)	(6)		
Balance at end of year		33	29	14	33	29
Allowance for Doubtful Accounts | Selling, general and administrative expenses						
Movement in valuation and qualifying accounts						
Provision		7	12			
Allowance for Doubtful Accounts | Income from affiliates						
Movement in valuation and qualifying accounts						
Provision			2			
Allowance for Doubtful Accounts | Cost of sales						
Movement in valuation and qualifying accounts						
Provision			2			
Allowance for Notes Receivable						
Movement in valuation and qualifying accounts						
Balance at beginning of year		16	16		16	
Provision		1		16		
Balance at end of year		$ 17	$ 16	$ 16	$ 17	$ 16

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Summary of Significant Accounting Policies - Recently Issued Accounting Standards (Details) $ in Millions	12 Months Ended Dec. 31, 2018 USD ($) item	Dec. 31, 2017 USD ($)	Dec. 31, 2016 USD ($)	Jan. 01, 2019 USD ($)	Jan. 01, 2018 USD ($)
Recently issued accounting standards					
Retained earnings	$ 3,727	$ 3,750			
Selling, general and administrative expenses	314	309	$ 267		
Miscellaneous, net	(3)	(5)	(8)		
Accumulated other comprehensive loss	$ (410)	(354)	(304)		
ASU 2014-09 | Maximum					
Recently issued accounting standards					
Retained earnings					$ 1
ASU 2017-07					
Recently issued accounting standards					
Selling, general and administrative expenses		(8)	(8)		
Miscellaneous, net		$ 8	$ 8		
ASU 2016-01					
Recently issued accounting standards					
Retained earnings					7
Accumulated other comprehensive loss					$ (7)
ASU 2016-02 | Assets | Forecast					
Recently issued accounting standards					
Expected impact of adoption on assets				$ 460	
ASU 2016-02 | Liabilities | Forecast					
Recently issued accounting standards					
Expected impact of adoption on liabilities				$ 500	
Designated as hedge					
Derivative commodity instruments					
Number of derivative agreements | item	0				

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Acquisitions (Details)	Jan. 05, 2018 USD ($) facility	Aug. 30, 2017 USD ($)	Oct. 28, 2016 USD ($)	Sep. 01, 2016 USD ($)	Feb. 07, 2016 USD ($)	3 Months Ended Dec. 31, 2018 USD ($)	3 Months Ended Apr. 01, 2017 USD ($)	6 Months Ended Dec. 31, 2016 USD ($) item	12 Months Ended Dec. 31, 2018 USD ($) $ / shares	12 Months Ended Dec. 31, 2017 USD ($) $ / shares	12 Months Ended Dec. 31, 2016 USD ($) $ / shares	Oct. 27, 2016
Acquisitions												
Cash payment, net of $64 million of cash acquired									$ 264,000,000	$ 54,000,000	$ 219,000,000	
Goodwill						$ 167,000,000		$ 19,000,000	167,000,000	22,000,000	19,000,000	
Net sales									6,583,000,000	5,809,000,000	5,379,000,000	
Net earnings (loss)									$ (17,000,000)	$ 246,000,000	$ 314,000,000	
Earnings (loss) per common share | $ / shares									$ (14.61)	$ 211.01	$ 266.50	
Maximum												
Acquisitions												
Time lag for reporting financial information									3 months			
Belarina												
Acquisitions												
Acquisition of business, cash consideration			$ 0									
Remaining interest acquired						2						
Mimran												
Acquisitions												
Cash payment, net of $64 million of cash acquired	$ 264,000,000											
Euro denominated note payable due 2021, 3.25% interest	46,000,000											
Contingent consideration	14,000,000											
Total fair value of consideration at acquisition date	324,000,000											
Cash acquired	$ 64,000,000											
Interest rate of note payable	3.25%											
Purchase price allocation adjustment to property, plant and equipment						34,000,000						
Current assets						83,000,000			$ 83,000,000			
Property, plant and equipment						91,000,000			91,000,000			
Intangible assets						78,000,000			78,000,000			
Goodwill						148,000,000			148,000,000			
Other assets						4,000,000			4,000,000			
Total fair value of assets acquired						404,000,000			404,000,000			
Current liabilities						(38,000,000)			(38,000,000)			
Other long-term liabilities						(38,000,000)			(38,000,000)			
Total liabilities assumed						(76,000,000)			(76,000,000)			
Less: Noncontrolling interest						(4,000,000)			(4,000,000)			
Net fair value of assets acquired						324,000,000			$ 324,000,000			
Time lag for reporting financial information									3 months			
Earn-out, low end of range	$ 0											
Earn-out, high end of range	$ 48,000,000											
Earn-out time period following closing, low end of range	5 years											
Earn-out time period following closing, high end of range	8 years											
Net sales from the date of acquisition									$ 247,000,000			
Net earnings from the date of acquisition									17,000,000			
Acquisition costs										$ 2,000,000		
Unaudited pro forma information:												
Net sales									6,643,000,000	6,095,000,000		

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Net earnings (loss)							$ (13,000,000)	$ 272,000,000	
Earnings (loss) per common share | $ / shares							$ (10.90)	$ 233.45	
Mimran | Intangible Assets									
Acquisitions									
Purchase price allocation adjustment to intangibles					(22,000,000)				
Mimran | Goodwill									
Acquisitions									
Purchase price allocation adjustment to intangibles					(13,000,000)				
Mimran | Trade names									
Acquisitions									
Intangible assets	$ 28,000,000								
Estimated useful life	9 years								
Mimran | Customer relationships									
Acquisitions									
Intangible assets	$ 50,000,000								
Estimated useful life	9 years								
Pork									
Acquisitions									
Goodwill					18,000,000	18,000,000	$ 18,000,000	$ 18,000,000	$ 18,000,000
Net sales							1,774,000,000	1,609,000,000	1,443,000,000
Pork | New Fashion Pork, LLP									
Acquisitions									
Acquisition of business, cash consideration		$ 40,000,000							
Inventories		6,000,000							
Property, plant and equipment		34,000,000							
Total		40,000,000							
Pork | New Fashion Pork, LLP | Maximum									
Acquisitions									
Acquisition costs		$ 1,000,000							
Pork | Texas Farm LLC									
Acquisitions									
Acquisition of business, cash consideration			$ 59,000,000						
Inventories			16,000,000						
Property, plant and equipment			42,000,000						
Goodwill			3,000,000						
Accounts payable			(2,000,000)						
Total			59,000,000						
Net sales									4,000,000
Net earnings (loss)									(2,000,000)
Pork | Texas Farm LLC | Maximum									
Acquisitions									
Acquisition costs			$ 1,000,000						
Pork | Christensen Farms									
Acquisitions									
Acquisition of business, cash consideration				$ 148,000,000					
Inventories				33,000,000					
Property, plant and equipment				111,000,000					
Intangible assets				1,000,000					
Goodwill				3,000,000					
Total				148,000,000					
Net sales									119,000,000
Net earnings (loss)									(5,000,000)
Pork | Christensen Farms | Maximum									
Acquisitions									
Acquisition costs				$ 1,000,000					
Pork | Christensen Farms | Customer relationships									
Acquisitions									

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Weighted average useful life (in years)			1 year 7 months 6 days							
Pork | Additional acquisitions										
Acquisitions										
Acquisition of business, cash consideration						$ 12,000,000				
Number of acquisitions | item						3				
Inventories						$ 1,000,000			1,000,000	
Property, plant and equipment						11,000,000			11,000,000	
Pork | Additional acquisitions | Maximum										
Acquisitions										
Acquisition costs						1,000,000				
CT&M										
Acquisitions										
Goodwill				$ 149,000,000		$ 1,000,000	149,000,000	4,000,000	1,000,000	
Net sales							$ 3,428,000,000	2,945,000,000	$ 2,778,000,000	
CT&M | Pulse and grain elevator										
Acquisitions										
Acquisition of business, cash consideration					$ 14,000,000			$ 14,000,000		
Property, plant and equipment					11,000,000					
Goodwill					3,000,000					
CT&M | Pulse and grain elevator | Maximum										
Acquisitions										
Acquisition costs					$ 1,000,000					
CT&M | Belarina										
Acquisitions										
Acquisition of business, cash consideration		0								
Accounts receivable		7,000,000								
Inventories		6,000,000								
Property, plant and equipment		25,000,000								
Goodwill		1,000,000								
Other assets		4,000,000								
Third-party debt		(14,000,000)								
Other long-term liabilities		(11,000,000)								
Total		18,000,000								
Fair value of pre-existing interest		18,000,000								
Net sales		$ 0								
Percentage of ownership		98.00%								50.00%
Time lag for reporting financial information		3 months								
CT&M | Belarina | Selling, general and administrative expenses										
Acquisitions										
Gain related to recognizing the fair value of pre-existing affiliate receivables		$ 4,000,000								
CT&M | Mimran										
Acquisitions										
Number of flour mills operated | facility	3									

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Investments (Details) - USD ($) $ in Millions	12 Months Ended		
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016
Investments			
Fair Value	$ 1,336	$ 1,576	
Change in unrealized gains (losses) on trading securities	(110)	146	$ 49
Domestic equity securities			
Investments			
Fair Value	632	752	
Domestic debt securities			
Investments			
Fair Value	268	439	
Foreign equity securities			
Investments			
Fair Value	218	319	
Money market funds held in trading accounts			
Investments			
Fair Value	146	10	
Collateralized loan obligation			
Investments			
Fair Value	28	29	
High yield securities			
Investments			
Fair Value	19	21	
Foreign debt securities			
Investments			
Fair Value	16		
Term deposits			
Investments			
Fair Value	9		
Other trading securities			
Investments			
Fair Value		6	
Denominated in foreign currencies | Foreign equity securities			
Investments			
Fair Value	66	114	
Denominated in Euros | Foreign equity securities			
Investments			
Fair Value	25	48	
Denominated in Japanese Yen | Foreign equity securities			
Investments			
Fair Value	20	25	
Denominated in British pounds | Foreign equity securities			

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Investments		
Fair Value	9	20
Denominated in Swiss Franc | Foreign equity securities		
Investments		
Fair Value	3	6
Denominated in other foreign currencies | Foreign equity securities		
Investments		
Fair Value	9	15
Denominated in other foreign currencies | Money market funds		
Investments		
Fair Value	$ 10	
Denominated in other foreign currencies | Money market funds | Maximum		
Investments		
Fair Value		$ 1

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Inventories (Details) - USD ($) $ / shares in Units, $ in Millions	12 Months Ended		
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016
At lower of LIFO cost or market:			
Live hogs and materials	$ 361	$ 313	
Fresh pork and materials	36	28	
LIFO adjustment	(58)	(31)	
Total inventories at lower of LIFO cost or market	339	310	
At lower of FIFO cost and net realizable value:			
Grains, oilseeds and other commodities	229	253	
Sugar produced and in process	17	38	
Other	81	90	
Total inventories at lower of FIFO cost and net realizable value	327	381	
Grain, flour and feed at lower of weighted average cost and net realizable value	149	89	
Total inventories	815	780	
LIFO method increase (decrease) in earnings	$ (20)	$ (6)	$ 5
LIFO method increase (decrease) in earnings per share (in dollars per share)	$ (16.87)	$ (5.40)	$ 3.92
Amount that inventories would have been higher by if the FIFO method had been used	$ 58	$ 31	
Reserve for LIFO Valuation			
Reserve for LIFO Valuation			
Balance at beginning of year	31	21	$ 28
Increase (decrease)	27	10	(7)
Balance at end of year	$ 58	$ 31	$ 21

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Net Property, Plant and Equipment (Details) - USD ($) $ in Millions	12 Months Ended	24 Months Ended	
	Dec. 31, 2018	Dec. 31, 2018	Dec. 31, 2017
Property, plant and equipment			
Gross property, plant and equipment	$ 2,406	$ 2,406	$ 2,228
Accumulated depreciation and amortization	(1,246)	(1,246)	(1,151)
Net property, plant and equipment	$ 1,160	1,160	1,077
Minimum			
Property, plant and equipment			
Useful Lives	3 years		
Maximum			
Property, plant and equipment			
Useful Lives	30 years		
Land and improvements			
Property, plant and equipment			
Gross property, plant and equipment	$ 238	$ 238	224
Land and improvements | Minimum			
Property, plant and equipment			
Useful Lives		3 years	
Land and improvements | Maximum			
Property, plant and equipment			
Useful Lives		15 years	
Buildings and improvements			
Property, plant and equipment			
Useful Lives		30 years	
Gross property, plant and equipment	591	$ 591	525
Machinery and equipment			
Property, plant and equipment			
Gross property, plant and equipment	1,298	$ 1,298	1,253
Machinery and equipment | Minimum			
Property, plant and equipment			
Useful Lives		3 years	
Machinery and equipment | Maximum			
Property, plant and equipment			
Useful Lives		20 years	
Vessels and vehicles			
Property, plant and equipment			
Gross property, plant and equipment	147	$ 147	136
Vessels and vehicles | Minimum			
Property, plant and equipment			
Useful Lives		3 years	
Vessels and vehicles | Maximum			
Property, plant and equipment			

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Useful Lives		18 years	
Office furniture and fixtures			
Property, plant and equipment			
Useful Lives		5 years	
Gross property, plant and equipment	36	$ 36	34
Construction in progress			
Property, plant and equipment			
Gross property, plant and equipment	$ 96	$ 96	$ 56

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Investments in and Advances to Affiliates and Notes Receivable from Affiliates (Details) $ in Millions	1 Months Ended			3 Months Ended	12 Months Ended								
	Dec. 31, 2017 USD ($)	Sep. 28, 2013 USD ($)	Dec. 31, 2010 USD ($)	Apr. 02, 2016 USD ($)	Dec. 31, 2018 USD ($) item	Dec. 31, 2017 USD ($)	Dec. 31, 2016 USD ($)	Oct. 28, 2016	Oct. 27, 2016 USD ($)	Jan. 30, 2016	Dec. 31, 2015 USD ($)	May 30, 2015	Dec. 31, 2013 USD ($)
Investments in and Advances to Affiliates and Notes Receivable from Affiliates													
Dividends received from affiliates					$ 23	$ 24	$ 53						
Investments in and advances to affiliates	$ 851				804	851							
Income tax expense					1	181	70						
Loss from affiliates					(44)	(7)	81						
Foreign currency translation adjustment					(53)	(6)	(26)						
Receivables due from affiliates	120				111	120							
Pork													
Investments in and Advances to Affiliates and Notes Receivable from Affiliates													
Investments in and advances to affiliates	231				192	231							
Loss from affiliates					(30)	(10)	11						
Combined condensed financial information of the non-controlled, non-consolidated affiliates													
Net sales					927	441	319						
Net income (loss)					(60)	(21)	22						
Total assets	596				623	596	364						
Total liabilities	138				243	138	14						
Total equity	458				380	458	350						
CT&M													
Investments in and Advances to Affiliates and Notes Receivable from Affiliates													
Investments in and advances to affiliates	240				255	240							
Loss from affiliates					(11)	7	(10)						
Carrying value of investment in affiliates over (under) entity's share of affiliates' book value					57								
Combined condensed financial information of the													

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non-controlled, non-consolidated affiliates					
Net sales			3,238	2,907	2,871
Net income (loss)			(13)	23	(6)
Total assets	1,793		1,914	1,793	1,201
Total liabilities	1,150		1,242	1,150	734
Total equity	643		672	643	467
Marine					
Investments in and Advances to Affiliates and Notes Receivable from Affiliates					
Investments in and advances to affiliates	28		28	28	
Loss from affiliates			2	(7)	1
Carrying value of investment in affiliates over (under) entity's share of affiliates' book value			(26)		
Combined condensed financial information of the non-controlled, non-consolidated affiliates					
Net sales			66	58	47
Net income (loss)			11	5	7
Total assets	229		272	229	277
Total liabilities	114		133	114	109
Total equity	115		$ 139	115	168
Time lag for reporting financial information			3 months		
Sugar and Alcohol					
Investments in and Advances to Affiliates and Notes Receivable from Affiliates					
Investments in and advances to affiliates	4		$ 4	4	
Loss from affiliates			1	1	2
Combined condensed financial information of the non-controlled, non-consolidated affiliates					
Net sales			5	10	10
Net income (loss)			3	2	3
Total assets	10		10	10	10
Total liabilities	2		2	2	2
Total equity	8		$ 8	8	8
Time lag for reporting financial information			1 month		
Turkey					

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Investments in and Advances to Affiliates and Notes Receivable from Affiliates				
Investments in and advances to affiliates	310	$ 295	310	
Loss from affiliates		(16)	(4)	73
Combined condensed financial information of the non-controlled, non-consolidated affiliates				
Net sales		1,591	1,670	1,813
Operating income (loss)		(16)	15	162
Net income (loss)		(30)	(8)	139
Total assets	999	1,072	999	1,154
Total liabilities	400	502	400	529
Total equity	599	$ 570	599	625
Power				
Investments in and Advances to Affiliates and Notes Receivable from Affiliates				
Number of businesses | item		2		
Investments in and advances to affiliates	38	$ 30	38	
Loss from affiliates		10	6	4
Combined condensed financial information of the non-controlled, non-consolidated affiliates				
Net sales		138	105	146
Net income (loss)		33	23	14
Total assets	265	247	265	261
Total liabilities	145	139	145	175
Total equity	120	$ 108	$ 120	86
Subordinated loan | Notes receivable				
Investments in and Advances to Affiliates and Notes Receivable from Affiliates				
Paid-in-kind interest	$ 6			
Minimum				
Combined condensed financial information of the non-controlled, non-consolidated affiliates				
Time lag for reporting financial information		1 month		
Maximum				
Combined condensed financial information of the				

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non-controlled, non-consolidated affiliates			
Time lag for reporting financial information		3 months	
Morocco | CT&M			
Investments in and Advances to Affiliates and Notes Receivable from Affiliates			
Percentage of ownership	19.40%		19.40%
Additional investment or capital contribution			$ 7
Combined condensed financial information of the non-controlled, non-consolidated affiliates			
Time lag for reporting financial information		3 months	
Businesses conducting flour, maize and feed milling and poultry production and processing | Botswana | CT&M			
Investments in and Advances to Affiliates and Notes Receivable from Affiliates			
Percentage of ownership		49.00%	
Businesses conducting flour, maize and feed milling and poultry production and processing | Democratic Republic of Congo | CT&M			
Investments in and Advances to Affiliates and Notes Receivable from Affiliates			
Percentage of ownership		50.00%	
Businesses conducting flour, maize and feed milling and poultry production and processing | Gambia | CT&M			
Investments in and Advances to Affiliates and Notes Receivable from Affiliates			
Percentage of ownership		50.00%	
Businesses conducting flour, maize and feed milling and poultry production and processing | Kenya | Minimum | CT&M			
Investments in and Advances to Affiliates and Notes Receivable from Affiliates			

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Percentage of ownership Businesses conducting flour, maize and feed milling and poultry production and processing | Kenya | Maximum | CT&M	46.64%
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership Businesses conducting flour, maize and feed milling and poultry production and processing | Lesotho | CT&M	49.00%
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership Businesses conducting flour, maize and feed milling and poultry production and processing | Mauritania | CT&M	50.00%
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership Businesses conducting flour, maize and feed milling and poultry production and processing | Morocco | Minimum | CT&M	50.00%
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership Businesses conducting flour, maize and feed milling and poultry production and processing | Morocco | Maximum | CT&M	11.44%
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership Businesses conducting flour, maize and feed milling and poultry production and processing | Nigeria | Minimum | CT&M	17.08%

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Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership Businesses conducting flour, maize and feed milling and poultry production and processing | Nigeria | Maximum | CT&M	25.00%
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership Businesses conducting flour, maize and feed milling and poultry production and processing | Senegal | CT&M	48.33%
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership Businesses conducting flour, maize and feed milling and poultry production and processing | South Africa | Minimum | CT&M	49.00%
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership Businesses conducting flour, maize and feed milling and poultry production and processing | South Africa | Maximum | CT&M	30.00%
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership Businesses conducting flour, maize and feed milling and poultry production and processing | Tanzania | CT&M	50.00%
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership Businesses conducting flour, maize and feed milling and poultry production and processing | Zambia | CT&M	49.00%

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Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership	49.00%
Businesses conducting flour, maize and feed milling and poultry production and processing | Colombia | Minimum | CT&M	
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership	40.00%
Businesses conducting flour, maize and feed milling and poultry production and processing | Colombia | Maximum | CT&M	
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership	42.00%
Businesses conducting flour, maize and feed milling and poultry production and processing | Ecuador | Minimum | CT&M	
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership	25.00%
Businesses conducting flour, maize and feed milling and poultry production and processing | Ecuador | Maximum | CT&M	
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership	50.00%
Businesses conducting flour, maize and feed milling and poultry production and processing | Guyana | CT&M	
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership	50.00%
Businesses conducting flour, maize and feed milling and	

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poultry production and processing | Peru | CT&M	
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership	50.00%
Businesses conducting flour, maize and feed milling and poultry production and processing | Jamaica | CT&M	
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership	50.00%
Businesses conducting flour, maize and feed milling and poultry production and processing | Haiti | CT&M	
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership	23.33%
Businesses conducting flour, maize and feed milling and poultry production and processing | Turkey | CT&M	
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership	25.00%
Businesses conducting flour, maize and feed milling and poultry production and processing | Australia | Minimum | CT&M	
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership	22.50%
Businesses conducting flour, maize and feed milling and poultry production and processing | Australia | Maximum | CT&M	
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership	25.00%
Businesses conducting flour, maize and feed milling and	

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poultry production and processing | Canada | CT&M					
Investments in and Advances to Affiliates and Notes Receivable from Affiliates					
Percentage of ownership		45.00%			
Businesses conducting flour, maize and feed milling and poultry production and processing | United States | Maximum | CT&M					
Investments in and Advances to Affiliates and Notes Receivable from Affiliates					
Percentage of ownership		40.00%			
Bakery business | Democratic Republic of Congo | CT&M					
Investments in and Advances to Affiliates and Notes Receivable from Affiliates					
Percentage of ownership		50.00%			
Notes receivable from affiliates	$ 15	$ 8	15		$ 32
Income tax expense				0	
Investment in business, advances and long-term note receivable		0			
Loss from affiliates		$ 7	4		
Percentage of note receivable guaranteed by the other shareholder		50.00%			
Bakery business | Democratic Republic of Congo | CT&M | Notes receivable					
Investments in and Advances to Affiliates and Notes Receivable from Affiliates					
Reserve on receivables from affiliates				16	
Cargo terminal business | Jamaica | Marine					
Investments in and Advances to Affiliates and Notes Receivable from Affiliates					
Percentage of ownership		21.00%			
Cargo terminal business | Haiti | Marine					
Investments in and Advances to Affiliates and Notes Receivable from Affiliates					
Percentage of ownership		36.00%			

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Investments in and advances to affiliates			7
Asset impairment charges		5	
Notes receivable from affiliates			8
Cargo terminal business | Haiti | Marine | Notes receivable			
Investments in and Advances to Affiliates and Notes Receivable from Affiliates			
Asset impairment charges		1	
Cargo terminal business | Haiti | Marine | Affiliate receivables			
Investments in and Advances to Affiliates and Notes Receivable from Affiliates			
Asset impairment charges		3	
Sugar related businesses | Argentina | Sugar and Alcohol			
Investments in and Advances to Affiliates and Notes Receivable from Affiliates			
Number of businesses | item	2		
Sugar related business one | Argentina | Sugar and Alcohol			
Investments in and Advances to Affiliates and Notes Receivable from Affiliates			
Percentage of ownership	46.00%		
Sugar related business two | Argentina | Sugar and Alcohol			
Investments in and Advances to Affiliates and Notes Receivable from Affiliates			
Percentage of ownership	50.00%		
Butterball, LLC			
Investments in and Advances to Affiliates and Notes Receivable from Affiliates			
Percentage of ownership	50.00%		
Investee's intangible assets for trade name	$ 111		
Investee's intangible assets for goodwill	$ 74		
Percentage of the Butterball's earnings recorded as income from affiliates in the Consolidated Statements of Comprehensive Income (as a percent)	52.50%		
Loss from affiliates		18	

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Butterball, LLC	Subordinated loan									
Investments in and Advances to Affiliates and Notes Receivable from Affiliates									
Loan provided to affiliate			$ 100						
Maturity period of unsecured subordinated loan provided			7 years						
Interest rate on loan provided (as a percent)								10.00%	
Notes receivable from affiliates			$ 89						
Repayment of notes receivable	$ 164								
Butterball, LLC	Detachable warrants									
Investments in and Advances to Affiliates and Notes Receivable from Affiliates									
Additional equity interest that can be acquired upon exercise of warrants (as a percent)				5.00%					
Economic interest (as a percent)				52.50%					
Notes receivable from affiliates			$ 11						
Belarina	Brazil									
Investments in and Advances to Affiliates and Notes Receivable from Affiliates									
Investment in business, advances and long-term note receivable									$ 0
Belarina	Brazil	CT&M									
Investments in and Advances to Affiliates and Notes Receivable from Affiliates									
Percentage of ownership		50.00%				98.00%			
Investment in equity and long-term advances					14				
Investments in and advances to affiliates							$ 63		
Loss from affiliates					(10)				
Foreign currency translation adjustment					(4)				
Belarina	Brazil	Term loan	CT&M									
Investments in and Advances to Affiliates and Notes Receivable from Affiliates									
Loan provided to affiliate		$ 13							

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Grain trading and flour milling business | Mauritania | CT&M					
Investments in and Advances to Affiliates and Notes Receivable from Affiliates					
Ownership interest acquired		50.00%			
Total consideration		$ 16			
Combined condensed financial information of the non-controlled, non-consolidated affiliates					
Time lag for reporting financial information		3 months			
Seaboard Triumph Foods | Pork					
Investments in and Advances to Affiliates and Notes Receivable from Affiliates					
Percentage of ownership					50.00%
Amount invested under equity method			73	51	
Daily's | Pork					
Investments in and Advances to Affiliates and Notes Receivable from Affiliates					
Percentage of ownership		50.00%			
Triumph, Daily's and STF | Pork					
Investments in and Advances to Affiliates and Notes Receivable from Affiliates					
Fixed assets and other costs transferred			$ 14		
Peruvian affiliate | CT&M					
Investments in and Advances to Affiliates and Notes Receivable from Affiliates					
Loan provided to affiliate	$ 12				
Electricity generating facility | Power					
Investments in and Advances to Affiliates and Notes Receivable from Affiliates					
Percentage of ownership		29.90%			
Dividends received from affiliates		$ 18		$ 9	
Energy related business one | Power					
Investments in and Advances to Affiliates and Notes Receivable from Affiliates					

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Percentage of ownership	45.00%
Energy related business two | Power	
Investments in and Advances to Affiliates and Notes Receivable from Affiliates	
Percentage of ownership	50.00%

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Notes Payable and Long-Term Debt - Notes payable and bank lines (Details) - USD ($) $ in Millions	12 Months Ended Dec. 31, 2018	Dec. 31, 2017
Denominated in Euros		
Notes Payable and Long Term Debt		
Acquisition related debt	$ 44	
Interest rate (as a percent)	3.25%	
Notes payable to bank		
Notes Payable and Long Term Debt		
Notes payable outstanding	$ 148	$ 162
Weighted average interest rate (as a percent)	7.76%	10.48%
Uncommitted and committed bank lines		
Notes Payable and Long Term Debt		
Letters of credit outstanding	$ 18	
Committed bank line | Wells Fargo		
Notes Payable and Long Term Debt		
Maximum capacity	$ 100	
Basis spread on variable rate (as a percent)	0.50%	
Unused commitment fee	0.09%	
Outstanding balance	$ 0	
Uncommitted bank lines | Foreign subsidiaries | Denominated in South African Rand		
Notes Payable and Long Term Debt		
Notes payable outstanding	79	
Uncommitted bank lines | Foreign subsidiaries | Denominated in Canadian dollars		
Notes Payable and Long Term Debt		
Notes payable outstanding	20	
Uncommitted bank lines | Foreign subsidiaries | Denominated in Zambian kwacha		
Notes Payable and Long Term Debt		
Notes payable outstanding	$ 12	

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Notes Payable and Long-Term Debt - Summary of long-term debt (Details) - USD ($) $ in Millions	12 Months Ended					
	Sep. 25, 2018	Dec. 04, 2015	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	Sep. 24, 2018
Notes Payable and Long Term Debt						
Total long-term debt at face value			$ 779	$ 536		
Current maturities of long-term debt and unamortized discount			(40)	(54)		
Long-term debt, less current maturities and unamortized discount			739	482		
Payments of long-term debt			46	17	$ 5	
Term loan due 2028						
Notes Payable and Long Term Debt						
Total long-term debt at face value			$ 698			
Face amount	$ 700					
Proceeds from issuance of debt	$ 220					
Term loan due 2022						
Notes Payable and Long Term Debt						
Total long-term debt at face value				$ 484		
Face amount						$ 500
Effective interest rate (as a percent)			4.15%	3.20%		
Adjusted leverage ratio, maximum		50.00%				
Minimum net worth base requirement		$ 2,500				
Percentage of consolidated net income added to net worth base amount		25.00%				
Maximum dividends per year		$ 100				
Sum of subsidiary indebtedness and priority indebtedness as a percentage of consolidated tangible net worth, maximum		15.00%				
Foreign subsidiary obligations due 2019 through 2023						
Notes Payable and Long Term Debt						
Total long-term debt at face value			$ 81	$ 52		

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Notes Payable and Long-Term Debt - Maturities and foreign subsidiary obligations (Details) - USD ($) $ in Millions	12 Months Ended Dec. 31, 2018	Dec. 31, 2017
Maturities of long-term debt		
2019	$ 39	
2020	9	
2021	53	
2022	8	
2023	7	
Thereafter	$ 663	
Minimum		
Notes Payable and Long Term Debt		
Time lag for reporting financial information	1 month	
Maximum		
Notes Payable and Long Term Debt		
Time lag for reporting financial information	3 months	
Sugar and Alcohol		
Notes Payable and Long Term Debt		
Short-term loan	$ 29	$ 32
Interest rate (as a percent)	3.10%	23.00%
Time lag for reporting financial information	1 month	
Foreign subsidiary obligations due 2019 through 2023		
Notes Payable and Long Term Debt		
Weighted average interest rate (as a percent)	3.80%	21.80%
Foreign subsidiary obligations due 2019 through 2023 | Property, Plant and Equipment		
Notes Payable and Long Term Debt		
Collateral amount	$ 2	

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Commitments and Contingencies - Numbers of Items (Details) $ in Millions					1 Months Ended			
	Jun. 28, 2018 item	May 15, 2018 USD ($)	Apr. 27, 2018 USD ($)	Mar. 20, 2018 USD ($)	Nov. 24, 2018 USD ($)	Dec. 31, 2018 USD ($)	Dec. 31, 2017 USD ($)	Sep. 19, 2012 item
Contingencies								
Assets						$ 5,307	$ 5,161	
Number of search warrants executed authorizing the seizure of certain records from Seaboard's offices in Merriam, Kansas and at the Seaboard Foods employment office and the human resources department in Guymon, Oklahoma. | item								3
Pork Product Purchasers | Pending Litigation								
Contingencies								
Number of plaintiffs | item	11							
Number of consolidated putative class actions | item	3							
Seaboard Foods | Regulatory Action								
Contingencies								
Settlement					$ 1			
Cereoil								
Contingencies								
Percentage of ownership						45.00%		
Cereoil | Cereoil Bankruptcy Trustee - Case One | Pending Litigation								
Contingencies								
Damages sought				$ 22				
Cereoil | Cereoil Bankruptcy Trustee - Case Two | Pending Litigation								
Contingencies								
Damages sought			$ 23					
Liabilities			53					
Assets			$ 30					
Nolston								
Contingencies								
Percentage of ownership						45.00%		
Nolston | Nolston Bankruptcy Trustee | Pending Litigation								
Contingencies								
Damages sought		$ 14						
Liabilities		29						
Assets		$ 15						

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Commitments and Contingencies (Details) $ in Millions	12 Months Ended				
	Dec. 31, 2018 USD ($) company	Dec. 31, 2017 USD ($)	Dec. 31, 2016 USD ($)	Nov. 24, 2018 USD ($)	Sep. 29, 2018 USD ($)
Commitments					
2019	$ 1,146				
2020	252				
2021	236				
2022	180				
2023	147				
Thereafter	596				
Totals	2,557				
Operating Leases					
Rental expense for operating leases	46	$ 44	$ 43		
Conditional and Unconditional Commitments					
Total cost of sales and operating expenses	$ 6,060	5,260	4,882		
Refined coal processing plant					
Conditional and Unconditional Commitments					
Number of limited liability companies invested in | company	3				
Hog procurement contracts					
Commitments					
2019	$ 69				
2020	71				
2021	78				
2022	64				
2023	46				
Thereafter	34				
Totals	362				
Hog procurement contracts | Pork					
Conditional and Unconditional Commitments					
Amount paid under the contract	77	99	133		
Grain and feed ingredients					
Commitments					
2019	116				
2020	2				
Totals	118				
Grain purchase contracts for resale					
Commitments					
2019	564				
Totals	564				
Fuel supply contract					
Commitments					

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2019	31		
2021	49		
2022	49		
2023	49		
Thereafter	352		
Totals	530		
Equipment and other purchase commitments			
Commitments			
2019	73		
Totals	73		
Total firm purchase commitments			
Commitments			
2019	853		
2020	73		
2021	127		
2022	113		
2023	95		
Thereafter	386		
Totals	1,647		
Ports			
Commitments			
2019	18		
2020	18		
2021	19		
2022	19		
2023	20		
Thereafter	109		
Totals	203		
Vessel, time and voyage-charters			
Commitments			
2019	58		
2020	27		
2021	26		
2022	13		
2023	8		
Thereafter	25		
Totals	157		
Vessel, time and voyage-charters | Marine and CT&M			
Conditional and Unconditional Commitments			
Amount paid under the contract	$ 111	96	95
Vessel, time and voyage-charters | Marine and CT&M | Minimum			
Conditional and Unconditional Commitments			
Contract period	1 year		

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Vessel, time and voyage-charters | Marine and CT&M | Maximum				
Conditional and Unconditional Commitments				
Contract period	3 years			
Contract grower finishing agreements				
Commitments				
2019	$ 47			
2020	41			
2021	37			
2022	27			
2023	18			
Thereafter	61			
Totals	231			
Contract grower finishing agreements | Pork				
Conditional and Unconditional Commitments				
Amount paid under the agreement	48	$ 37	$ 26	
Other operating lease payments				
Operating Leases				
2019	18			
2020	13			
2021	9			
2022	8			
2023	6			
Thereafter	15			
Total	69			
Total operating lease payments				
Commitments				
2019	141			
2020	99			
2021	91			
2022	67			
2023	52			
Thereafter	210			
Totals	660			
Power barge and pork plant expansion				
Commitments				
2019	138			
2020	71			
2021	9			
Totals	218			
Power barge | Power | Minimum				
Commitments				
Totals				$ 160
Pork plant expansion | Pork				

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Commitments		
Totals		$ 103
Investment in affiliates		
Commitments		
2019	14	
2020	9	
2021	9	
Totals	$ 32	

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Employee Benefits (Details) $ in Millions	12 Months Ended						
	Dec. 31, 2018 USD ($)	Dec. 31, 2017 USD ($) item	Dec. 31, 2016 USD ($)	Dec. 31, 2018 USD ($) plan	Jun. 30, 2018 USD ($)	Dec. 31, 2017 USD ($)	Dec. 31, 2016 USD ($)
Target allocation and pension plan asset allocation							
Number of defined benefit plans | plan				1			
Contributions made to defined benefit pension plans	$ 2	$ 10					
Estimated fair value of plan assets	171	151	$ 151	$ 156		$ 171	$ 151
Reconciliation of benefit obligation:							
Benefit obligation at beginning of year	300	262					
Service cost	10	9	9				
Interest cost	11	11	11				
Actuarial losses	(22)	29					
Plan settlements		(9)					
Benefits paid	(6)	(3)					
Other		1					
Benefit obligation at end of year	293	300	262				
Reconciliation of fair value of plan assets:							
Fair value of plan assets at beginning of year	171	151					
Actual return on plan assets	(11)	25					
Employer contributions	2	10					
Plan settlements		(9)					
Benefits paid	(6)	(6)					
Fair value of plan assets at end of year	156	171	151				
Expected future net benefit payments							
2019				15			
2020				18			
2021				14			
2022				25			
2023				21			
2024 - 2028				75			
Funded status				(137)		(129)	
Components of net periodic benefit cost:							
Service cost	10	9	9				
Interest cost	11	11	11				
Expected return on plan assets	(11)	(10)	(8)				
Amortization and other	6	5	5				
Settlement loss recognized		2					
Net periodic benefit cost	16	17	17				

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Amounts not reflected in net periodic benefit cost and included in accumulated other comprehensive loss (AOCL) before taxes						
Total accumulated other comprehensive loss				72		78
Amounts in AOCL expected to be recognized as components of net periodic benefit cost in 2018						
Contribution expense for multi-employer pension fund, the United Food & Commercial Workers International Union-Industry Pension Fund, which covers certain union employees under a collective bargaining agreement	$ 1	$ 1	$ 1			
Maximum percentage of total contributions to multi-employer pension fund	5.00%	5.00%	5.00%			
Plan						
Amounts in AOCL expected to be recognized as components of net periodic benefit cost in 2018						
Estimated withdrawal liability					$ 17	
Defined benefit pension plan						
Target allocation and pension plan asset allocation						
Estimated fair value of plan assets	$ 171	$ 171		156		171
Weighted-average assumptions						
Expected return on plan assets (as a percent)	6.25%					
Long-term rate of increase in compensation levels (as a percent)	4.00%	4.00%	4.00%			
Reconciliation of fair value of plan assets:						
Fair value of plan assets at beginning of year	$ 171					
Fair value of plan assets at end of year	156	$ 171				
Expected future net benefit payments						
Funded status				(35)		(29)
Accumulated benefit obligation				165		171
Number of participants who received lump sum payments | item		3				
Lump sum payments		$ 8				
Defined benefit pension plan | Level 1						
Target allocation and pension plan asset allocation						
Estimated fair value of plan assets	171	171		156		171
Reconciliation of fair value of plan assets:						
Fair value of plan assets at beginning of year	171					
Fair value of plan assets at end of year	156	171				
Defined benefit pension plan | Domestic equity securities						
Target allocation and pension plan asset allocation						
Estimated fair value of plan assets	80	80		69		80
Reconciliation of fair value of plan assets:						
Fair value of plan assets at beginning of year	80					
Fair value of plan assets at end of year	69	80				
Defined benefit pension plan | Domestic equity securities | Level 1						
Target allocation and pension plan asset allocation						

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Estimated fair value of plan assets	80	80	69	80
Reconciliation of fair value of plan assets:				
Fair value of plan assets at beginning of year	80			
Fair value of plan assets at end of year	69	80		
Defined benefit pension plan | Foreign equity securities				
Target allocation and pension plan asset allocation				
Estimated fair value of plan assets	53	53	47	53
Reconciliation of fair value of plan assets:				
Fair value of plan assets at beginning of year	53			
Fair value of plan assets at end of year	47	53		
Defined benefit pension plan | Foreign equity securities | Level 1				
Target allocation and pension plan asset allocation				
Estimated fair value of plan assets	53	53	47	53
Reconciliation of fair value of plan assets:				
Fair value of plan assets at beginning of year	53			
Fair value of plan assets at end of year	47	53		
Defined benefit pension plan | Fixed income				
Target allocation and pension plan asset allocation				
Estimated fair value of plan assets	25	25	27	25
Reconciliation of fair value of plan assets:				
Fair value of plan assets at beginning of year	25			
Fair value of plan assets at end of year	27	25		
Defined benefit pension plan | Fixed income | Level 1				
Target allocation and pension plan asset allocation				
Estimated fair value of plan assets	25	25	27	25
Reconciliation of fair value of plan assets:				
Fair value of plan assets at beginning of year	25			
Fair value of plan assets at end of year	27	25		
Defined benefit pension plan | Foreign fixed income mutual funds				
Target allocation and pension plan asset allocation				
Estimated fair value of plan assets	11	11	11	11
Reconciliation of fair value of plan assets:				
Fair value of plan assets at beginning of year	11			
Fair value of plan assets at end of year	11	11		
Defined benefit pension plan | Foreign fixed income mutual funds | Level 1				
Target allocation and pension plan asset allocation				
Estimated fair value of plan assets	11	11	11	11
Reconciliation of fair value of plan assets:				
Fair value of plan assets at beginning of year	11			
Fair value of plan assets at end of year	11	11		
Defined benefit pension plan | Money market funds				
Target allocation and pension plan asset allocation				
Estimated fair value of plan assets	2	2	2	2

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Reconciliation of fair value of plan assets:						
Fair value of plan assets at beginning of year	2					
Fair value of plan assets at end of year	2	2				
Defined benefit pension plan | Money market funds | Level 1						
Target allocation and pension plan asset allocation						
Estimated fair value of plan assets	2	2		$ 2	$ 2	
Reconciliation of fair value of plan assets:						
Fair value of plan assets at beginning of year	2					
Fair value of plan assets at end of year	$ 2	$ 2				
Defined benefit pension plan | Minimum						
Weighted-average assumptions						
Discount rate used to determine obligations (as a percent)				3.50%	2.75%	2.90%
Discount rate used to determine net periodic benefit cost (as a percent)	2.75%	2.90%	3.20%			
Expected return on plan assets (as a percent)			6.75%			
Defined benefit pension plan | Minimum | Domestic equity securities						
Target allocation and pension plan asset allocation						
Target Allocations (as a percent)				50.00%		
Defined benefit pension plan | Minimum | Foreign equity securities						
Target allocation and pension plan asset allocation						
Target Allocations (as a percent)				25.00%		
Defined benefit pension plan | Minimum | Fixed income						
Target allocation and pension plan asset allocation						
Target Allocations (as a percent)				20.00%		
Defined benefit pension plan | Minimum | Alternative investments						
Target allocation and pension plan asset allocation						
Target Allocations (as a percent)				5.00%		
Defined benefit pension plan | Maximum						
Weighted-average assumptions						
Discount rate used to determine obligations (as a percent)				4.50%	3.80%	4.65%
Discount rate used to determine net periodic benefit cost (as a percent)	3.80%	4.60%	4.80%			
Expected return on plan assets (as a percent)		6.50%	7.00%			
Supplemental executive plans and retirement agreements						
Expected future net benefit payments						
Accumulated benefit obligation				$ 95	$ 90	

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Employee Benefits - Defined Contribution Plan (Details) $ in Millions	12 Months Ended Dec. 31, 2018 USD ($) item	Dec. 31, 2017 USD ($)	Dec. 31, 2016 USD ($)
Deferred compensation plan			
Number of investments, which are taken as reference to measure the interest that may be acquired | item	3		
Employer contribution as percentage of the employees' reduced compensation	3.00%		
Number of deferred compensation plans | item	2		
Deferred compensation plan expense	$ 2	$ (10)	$ (4)
Deferred compensation plan liability included in other liabilities	38	40	
Deferred compensation plan assets included in other current assets	45	46	
Investment income related to the mark-to-market of investments treated as trading securities	$ (2)	$ 9	$ 4
United States			
Defined contribution plans			
Employer contribution (as a percent of employee contributions)	50.00%	50.00%	50.00%
Employer contribution limit per calendar year (as a percent of compensation)	6.00%	6.00%	6.00%
Vesting percentage after one year of service	20.00%	20.00%	20.00%
Additional vesting percentage with each additional complete year of service	20.00%	20.00%	20.00%
Contribution expense	$ 3	$ 3	$ 2
Defined contribution plan covering hourly, non-union employees			
Defined contribution plans			
Contribution expense	$ 1	$ 1	$ 1

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Derivatives and Fair Value of Financial Instruments - Assets and Liabilities at Fair Value (Details) - USD ($) $ in Millions	3 Months Ended Dec. 31, 2018	Dec. 31, 2017
Assets:		
Trading securities	$ 1,336	$ 1,576
Liabilities:		
Decrease in contingent consideration liability	1	
Commodities		
Assets:		
Margin account	15	20
Domestic equity securities		
Assets:		
Trading securities	632	752
Domestic debt securities		
Assets:		
Trading securities	268	439
Foreign equity securities		
Assets:		
Trading securities	218	319
Money market funds held in trading accounts		
Assets:		
Trading securities	146	10
High yield securities		
Assets:		
Trading securities	19	21
Foreign debt securities		
Assets:		
Trading securities	16	
Recurring basis | Level 1		
Assets:		
Total Assets	1,282	1,596
Liabilities:		
Liabilities	4	6
Recurring basis | Level 1 | Commodities		
Assets:		
Derivatives	4	4
Liabilities:		
Derivatives	4	6
Recurring basis | Level 1 | Domestic equity securities | Short term investments		
Assets:		
Trading securities	632	752
Recurring basis | Level 1 | Domestic equity securities | Other current assets		

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Assets:		
Trading securities	32	35
Recurring basis | Level 1 | Domestic debt securities | Short term investments		
Assets:		
Trading securities	215	438
Recurring basis | Level 1 | Foreign equity securities | Short term investments		
Assets:		
Trading securities	218	319
Recurring basis | Level 1 | Foreign equity securities | Other current assets		
Assets:		
Trading securities	3	4
Recurring basis | Level 1 | Money market funds held in trading accounts | Short term investments		
Assets:		
Trading securities	146	10
Recurring basis | Level 1 | Money market funds held in trading accounts | Other current assets		
Assets:		
Trading securities	5	5
Recurring basis | Level 1 | High yield securities | Short term investments		
Assets:		
Trading securities	7	21
Recurring basis | Level 1 | Foreign debt securities | Short term investments		
Assets:		
Trading securities	2	
Recurring basis | Level 1 | Term deposits | Short term investments		
Assets:		
Trading securities	9	
Recurring basis | Level 1 | Other trading investments | Short term investments		
Assets:		
Trading securities	5	6
Recurring basis | Level 1 | Fixed income securities | Other current assets		
Assets:		
Trading securities	3	2
Recurring basis | Level 1 | Other | Other current assets		
Assets:		
Trading securities	1	
Recurring basis | Level 2		
Assets:		
Total Assets	111	33
Liabilities:		
Liabilities	5	6
Recurring basis | Level 2 | Commodities		
Assets:		

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Derivatives	2	
Recurring basis | Level 2 | Foreign currencies		
Assets:		
Derivatives	2	3
Liabilities:		
Derivatives		6
Recurring basis | Level 2 | Domestic debt securities | Short term investments		
Assets:		
Trading securities	53	1
Recurring basis | Level 2 | Collateralized loan obligations | Short term investments		
Assets:		
Trading securities	28	29
Recurring basis | Level 2 | High yield securities | Short term investments		
Assets:		
Trading securities	12	
Recurring basis | Level 2 | Foreign debt securities | Short term investments		
Assets:		
Trading securities	14	
Recurring basis | Level 2 | Other trading investments | Short term investments		
Liabilities:		
Liabilities	5	
Recurring basis | Level 3		
Liabilities:		
Contingent consideration	13	
Liabilities	13	
Recurring basis | Fair Value		
Assets:		
Total Assets	1,393	1,629
Liabilities:		
Contingent consideration	13	
Liabilities	22	12
Recurring basis | Fair Value | Commodities		
Assets:		
Derivatives	6	4
Margin account	15	20
Derivative assets and liabilities, net basis	17	18
Liabilities:		
Derivatives	4	6
Recurring basis | Fair Value | Foreign currencies		
Assets:		
Derivatives	2	3
Liabilities:		
Derivatives		6
Recurring basis | Fair Value | Domestic equity securities | Short term investments		

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Assets:		
Trading securities	632	752
Recurring basis | Fair Value | Domestic equity securities | Other current assets		
Assets:		
Trading securities	32	35
Recurring basis | Fair Value | Domestic debt securities | Short term investments		
Assets:		
Trading securities	268	439
Recurring basis | Fair Value | Foreign equity securities | Short term investments		
Assets:		
Trading securities	218	319
Recurring basis | Fair Value | Foreign equity securities | Other current assets		
Assets:		
Trading securities	3	4
Recurring basis | Fair Value | Money market funds held in trading accounts | Short term investments		
Assets:		
Trading securities	146	10
Recurring basis | Fair Value | Money market funds held in trading accounts | Other current assets		
Assets:		
Trading securities	5	5
Recurring basis | Fair Value | Collateralized loan obligations | Short term investments		
Assets:		
Trading securities	28	29
Recurring basis | Fair Value | High yield securities | Short term investments		
Assets:		
Trading securities	19	21
Recurring basis | Fair Value | Foreign debt securities | Short term investments		
Assets:		
Trading securities	16	
Recurring basis | Fair Value | Term deposits | Short term investments		
Assets:		
Trading securities	9	
Recurring basis | Fair Value | Other trading investments | Short term investments		
Assets:		
Trading securities	5	6
Liabilities:		
Liabilities	5	
Recurring basis | Fair Value | Fixed income securities | Other current assets		
Assets:		
Trading securities	3	$ 2
Recurring basis | Fair Value | Other | Other current assets		
Assets:		

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Trading securities	$ 1

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Derivatives and Fair Value of Financial Instruments - Fair Value of Investments and Long-Term Debt (Details) - USD ($) $ in Millions	Dec. 31, 2018	Dec. 31, 2017
Schedule of amortized cost and estimated fair values of investments and long term debt		
Short-term investments, trading debt securities	$ 1,336	$ 1,576

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Derivatives and Fair Value of Financial Instruments - Instruments and Agreements (Details) item in Millions, $ in Millions	12 Months Ended		
	Dec. 31, 2018 USD ($) item	Dec. 31, 2017 USD ($) item	Dec. 31, 2016 USD ($)
Commodities			
Derivative commodity instruments			
Gains (losses) on derivatives | $	$ (12)	$ (9)	$ 21
Net commodity purchase contracts | Grain			
Derivative commodity instruments			
Nonmonetary notional amount	33	29	
Net commodity purchase contracts | Soybean oil			
Derivative commodity instruments			
Nonmonetary notional amount	8	1	
Net commodity sale contracts | Hogs			
Derivative commodity instruments			
Nonmonetary notional amount	26	13	
Net commodity sale contracts | Heating oil			
Derivative commodity instruments			
Nonmonetary notional amount	7	7	
Foreign currencies			
Derivative commodity instruments			
Notional amounts | $	$ 82	$ 20	
Equity futures contract			
Derivative commodity instruments			
Notional amounts | $	$ 97	$ 0	

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Derivatives and Fair Value of Financial Instruments - Gain (Loss) on Derivatives (Details) - USD ($) $ in Millions	12 Months Ended		
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016
Commodities			
Amount of gain or (loss) recognized for each type of derivative and its location in the Consolidated Statements of Comprehensive Income			
Gains (losses) on derivatives	$ (12)	$ (9)	$ 21
Commodities | Cost of sales			
Amount of gain or (loss) recognized for each type of derivative and its location in the Consolidated Statements of Comprehensive Income			
Gains (losses) on derivatives	(12)	(9)	
Foreign currencies | Cost of sales			
Amount of gain or (loss) recognized for each type of derivative and its location in the Consolidated Statements of Comprehensive Income			
Gains (losses) on derivatives	2	(7)	
Foreign currencies | Foreign currency gains (losses), net			
Amount of gain or (loss) recognized for each type of derivative and its location in the Consolidated Statements of Comprehensive Income			
Gains (losses) on derivatives	1	$ (1)	
Equity futures contract | Other investment income (loss), net			
Amount of gain or (loss) recognized for each type of derivative and its location in the Consolidated Statements of Comprehensive Income			
Gains (losses) on derivatives	$ (6)		

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Derivatives and Fair Value of Financial Instruments - Fair Value of Derivatives (Details) $ in Millions	12 Months Ended Dec. 31, 2018 USD ($) item	Dec. 31, 2017 USD ($)
Commodities		
Fair value of each type of derivative and its location in the Consolidated Balance Sheets		
Margin account	$ 15	$ 20
Commodities | Other current assets		
Fair value of each type of derivative and its location in the Consolidated Balance Sheets		
Asset Derivatives	6	4
Derivative assets and liabilities, net basis	17	18
Commodities | Other current liabilities		
Fair value of each type of derivative and its location in the Consolidated Balance Sheets		
Liability Derivatives	4	6
Foreign currencies		
Fair value of each type of derivative and its location in the Consolidated Balance Sheets		
Credit risk associated with derivative contracts	$ 2	
Number of counterparties | item	5	
Foreign currencies | Other current assets		
Fair value of each type of derivative and its location in the Consolidated Balance Sheets		
Asset Derivatives	$ 2	3
Foreign currencies | Other current liabilities		
Fair value of each type of derivative and its location in the Consolidated Balance Sheets		
Liability Derivatives		$ 6
Equity futures contract | Other current liabilities		
Fair value of each type of derivative and its location in the Consolidated Balance Sheets		
Liability Derivatives	$ 5	

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Stockholders' Equity and Accumulated Other Comprehensive Loss (Details) - USD ($) $ / shares in Units, $ in Millions		1 Months Ended	3 Months Ended								9 Months Ended	12 Months Ended			
	Jan. 01, 2018	Dec. 31, 2012	Dec. 31, 2018	Sep. 29, 2018	Jun. 30, 2018	Mar. 31, 2018	Dec. 31, 2017	Sep. 30, 2017	Jul. 01, 2017	Apr. 01, 2017	Sep. 30, 2017	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2012
Components of and changes in accumulated other comprehensive loss, net of tax															
Balance at beginning of the period	$ (354.0)					$ (354.0)				$ (304.0)	$ (304.0)	$ (354.0)	$ (304.0)		
Other comprehensive income (loss) before reclassifications												(53.0)	(9.0)		
Amounts reclassified from accumulated other comprehensive loss to net earnings												4.0	4.0		
Other comprehensive income (loss), net of tax												(49.0)	(5.0)		
Balance at end of the period			$ (410.0)				$ (354.0)					$ (410.0)	$ (354.0)	$ (304.0)	
Common shares repurchased												1,333			
Repurchase of common stock												$ 5.0			
Remaining authorized repurchase amount			$ 95.0									$ 95.0			
Common stock dividend declared and paid (in dollars per share)		$ 12.00										$ 6.00	$ 6.00		
Common stock dividend declared (in dollars per share)			$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50		$ 6.00	$ 6.00		
Portion of dividend serving as prepayment for next succeeding year (in dollars per share)															$ 3.00
Portion of dividend serving as prepayment for second succeeding year (in dollars per share)															3.00
Portion of dividend serving as prepayment for third succeeding year (in dollars per share)															3.00
Portion of dividend serving as prepayment for fourth succeeding year (in dollars per share)															$ 3.00
Income tax rate for foreign currency translation gains and losses (as a percent)	21.00%											21.00%	35.00%	35.00%	
Maximum															
Components of and changes in accumulated other comprehensive loss, net of tax															

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Time lag for reporting financial information							3 months		
Income tax rate for foreign currency translation gains and losses (as a percent)								35.00%	
Sugar and Alcohol									
Components of and changes in accumulated other comprehensive loss, net of tax									
Time lag for reporting financial information							1 month		
ASU 2016-01									
Components of and changes in accumulated other comprehensive loss, net of tax									
Balance at end of the period	$ (7.0)								
Foreign currency translation adjustment									
Components of and changes in accumulated other comprehensive loss, net of tax									
Balance at beginning of the period	(297.0)		$ (297.0)		$ (254.0)	$ (254.0)	$ (297.0)	$ (254.0)	
Other comprehensive income (loss) before reclassifications							(52.0)	(6.0)	
Other comprehensive income (loss), net of tax							(52.0)	(6.0)	
Balance at end of the period		$ (349.0)		$ (297.0)			$ (349.0)	(297.0)	$ (254.0)
Effective income tax rate (as a percent)				21.00%		35.00%	35.00%		
Foreign currency translation adjustment | Maximum									
Components of and changes in accumulated other comprehensive loss, net of tax									
Cumulative foreign currency translation adjustment, taxes							$ 1.0		
Foreign currency translation adjustment | ASU 2018-02									
Components of and changes in accumulated other comprehensive loss, net of tax									
Amounts reclassified from accumulated other comprehensive loss to retained earnings				$ (37.0)				(37.0)	
Unrealized gain on investments									
Components of and changes in accumulated other									

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comprehensive loss, net of tax									
Balance at beginning of the period	7.0		7.0		2.0	$ 2.0	7.0	2.0	
Other comprehensive income (loss) before reclassifications								5.0	
Other comprehensive income (loss), net of tax								5.0	
Balance at end of the period				7.0				7.0	2.0
Unrealized gain on investments | ASU 2016-01									
Components of and changes in accumulated other comprehensive loss, net of tax									
Amounts reclassified from accumulated other comprehensive loss to retained earnings		(7.0)					(7.0)		
Unrecognized pension cost									
Components of and changes in accumulated other comprehensive loss, net of tax									
Balance at beginning of the period	$ (64.0)		$ (64.0)		$ (52.0)	$ (52.0)	(64.0)	(52.0)	
Other comprehensive income (loss) before reclassifications							(1.0)	(8.0)	
Amounts reclassified from accumulated other comprehensive loss to net earnings							4.0	4.0	
Other comprehensive income (loss), net of tax							3.0	(4.0)	
Balance at end of the period		(61.0)		(64.0)			(61.0)	(64.0)	$ (52.0)
Unrecognized pension cost | ASU 2018-02									
Components of and changes in accumulated other comprehensive loss, net of tax									
Amounts reclassified from accumulated other comprehensive loss to retained earnings				(8.0)				(8.0)	
Accumulated Other Comprehensive Loss | ASU 2016-01									
Components of and changes in accumulated other comprehensive loss, net of tax									
Amounts reclassified from accumulated other comprehensive loss to retained earnings		(7.0)					(7.0)		

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Accumulated Other Comprehensive Loss | ASU 2018-02				
Components of and changes in accumulated other comprehensive loss, net of tax				
Amounts reclassified from accumulated other comprehensive loss to retained earnings		(45.0)		(45.0)
Retained Earnings				
Components of and changes in accumulated other comprehensive loss, net of tax				
Repurchase of common stock			5.0	
Retained Earnings | ASU 2016-01				
Components of and changes in accumulated other comprehensive loss, net of tax				
Amounts reclassified from accumulated other comprehensive loss to retained earnings	7.0		$ 7.0	
Retained Earnings | ASU 2018-02				
Components of and changes in accumulated other comprehensive loss, net of tax				
Amounts reclassified from accumulated other comprehensive loss to retained earnings		45.0		45.0
Retained Earnings | ASU 2018-02 | Reclassification out of Accumulated Other Comprehensive Income				
Components of and changes in accumulated other comprehensive loss, net of tax				
Amounts reclassified from accumulated other comprehensive loss to retained earnings		$ 45.0		45.0
All components of AOCL except cumulative foreign currency translation adjustments				
Components of and changes in accumulated other comprehensive loss, net of tax				

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Effective income tax rate (as a percent)		26.00%	39.00%	26.00%		39.00%
Certain subsidiaries						
Components of and changes in accumulated other comprehensive loss, net of tax						
Cumulative foreign currency translation adjustment, net of related taxes		$ 91.0			91.0	
Cumulative foreign currency translation adjustment, taxes				$ 0.0	0.0	
Unrecognized pension cost related to employees at certain subsidiaries	$ 23.0	$ 22.0		$ 23.0	$ 22.0	

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Revenue Recognition (Details) - USD ($) $ in Millions	12 Months Ended		
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016
Revenue Recognition			
Net sales	$ 6,583	$ 5,809	$ 5,379
Transferred at point in time | Net sales			
Revenue Recognition			
Concentration risk percentage	85.00%		
Products			
Revenue Recognition			
Net sales	$ 5,334	4,693	4,334
Other			
Revenue Recognition			
Net sales	133	107	84
Pork			
Revenue Recognition			
Net sales	1,774	1,609	1,443
Pork | Products			
Revenue Recognition			
Net sales	1,451		
Pork | Transportation			
Revenue Recognition			
Net sales	9		
Pork | Energy			
Revenue Recognition			
Net sales	282		
Pork | Other			
Revenue Recognition			
Net sales	32		
CT&M			
Revenue Recognition			
Net sales	3,428	2,945	2,778
CT&M | Products			
Revenue Recognition			
Net sales	3,410		
CT&M | Other			
Revenue Recognition			
Net sales	18		
Marine			
Revenue Recognition			
Net sales	1,057	956	916
Marine | Transportation			
Revenue Recognition			

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Net sales	1,057		
Sugar and Alcohol			
Revenue Recognition			
Net sales	184	186	147
Sugar and Alcohol | Products			
Revenue Recognition			
Net sales	173		
Sugar and Alcohol | Energy			
Revenue Recognition			
Net sales	11		
Power			
Revenue Recognition			
Net sales	122	97	79
Power | Energy			
Revenue Recognition			
Net sales	122		
All Other			
Revenue Recognition			
Net sales	18	$ 16	$ 16
All Other | Products			
Revenue Recognition			
Net sales	18		
Segment Totals			
Revenue Recognition			
Net sales	6,583		
Segment Totals | Products			
Revenue Recognition			
Net sales	5,052		
Segment Totals | Transportation			
Revenue Recognition			
Net sales	1,066		
Segment Totals | Energy			
Revenue Recognition			
Net sales	415		
Segment Totals | Other			
Revenue Recognition			
Net sales	$ 50		

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Revenue Recognition - Performance Obligations (Details) $ in Millions	Dec. 31, 2018 USD ($)
Revenue Recognition	
Performance Obligation	$ 12

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Revenue Recognition - Performance Obligations (Details)	Dec. 31, 2018
Revenue, Remaining Performance Obligation, Expected Timing of Satisfaction, Start Date [Axis]: 2019-01-01	
Revenue Recognition	
Performance obligation (as a percent)	50.00%
Expected timing of satisfaction period	12 months
Revenue, Remaining Performance Obligation, Expected Timing of Satisfaction, Start Date [Axis]: 2020-01-01	
Revenue Recognition	
Performance obligation (as a percent)	50.00%
Expected timing of satisfaction period	12 months

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Revenue Recognition - Practical Expedient (Details) $ in Millions	12 Months Ended Dec. 31, 2018 USD ($)
Revenue Recognition	
Practical expedient, disclosure of performance obligation	true
Contract with Customer, Asset and Liability	
Revenue recognized included in deferred revenue	$ 327

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Revenue Recognition - Cumulative Effect - Consolidated Statement of Comprehensive Income (Details) - USD ($) $ in Millions	12 Months Ended		
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016
Revenue - cumulative effect			
Total net sales	$ 6,583	$ 5,809	$ 5,379
Total cost of sales	6,060	$ 5,260	$ 4,882
Balances Without Adoption of Topic 606			
Revenue - cumulative effect			
Total net sales	6,555		
Total cost of sales	6,032		
ASU 2014-09 | Adjustments			
Revenue - cumulative effect			
Total net sales	28		
Total cost of sales	$ 28		

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Revenue Recognition - Cumulative Effect - Consolidated Balance Sheet (Details) - USD ($) $ in Millions	Dec. 31, 2018	Dec. 31, 2017
Revenue - cumulative effect		
Net receivables	$ 551	$ 482
Inventories	815	$ 780
Deferred revenue	39	
Balances Without Adoption of Topic 606		
Revenue - cumulative effect		
Net receivables	544	
Inventories	860	
Deferred revenue	77	
ASU 2014-09 | Adjustments		
Revenue - cumulative effect		
Net receivables	7	
Inventories	(45)	
Deferred revenue	$ (38)	

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Revenue Recognition - Cumulative Effect - Consolidated Statement of Cash Flows (Details) - USD ($) $ in Millions	12 Months Ended		
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016
Changes in assets and liabilities, net of acquisitions:			
Receivables, net of allowance	$ (58)	$ (12)	$ 18
Inventories	(34)	(21)	6
Current liabilities, exclusive of debt	(22)	$ (25)	$ 23
Balances Without Adoption of Topic 606			
Changes in assets and liabilities, net of acquisitions:			
Receivables, net of allowance	(51)		
Inventories	(79)		
Current liabilities, exclusive of debt	16		
ASU 2014-09 | Adjustments			
Changes in assets and liabilities, net of acquisitions:			
Receivables, net of allowance	(7)		
Inventories	45		
Current liabilities, exclusive of debt	$ (38)		

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Income Taxes (Details) $ in Millions	Jan. 01, 2018 USD ($)	3 Months Ended Dec. 31, 2018 USD ($) item	Sep. 29, 2018 USD ($)	Mar. 31, 2018 USD ($)	12 Months Ended Dec. 31, 2018 USD ($) company item	Dec. 31, 2017 USD ($)	Dec. 31, 2016 USD ($) company
2017 Tax Act							
Federal income tax rate (as a percent)	21.00%				21.00%	35.00%	35.00%
Number of new U.S. tax base erosion provisions in the 2017 Tax Act | item		2			2		
Long-term income tax liability		$ 73			$ 73	$ 111	
Term to repay long-term income tax liability					8 years		
Income taxes payable related to mandatory deemed repatriated earnings		7			$ 7		
Reconciliation of computed expected tax expense excluding non-controlling interest to income tax expense (benefit) attributable to continuing operations							
Computed "expected" tax expense (benefit) excluding non-controlling interest					(3)	150	$ 134
Adjustments to tax expense (benefit) attributable to:							
Foreign tax differences					12	(22)	(14)
Tax-exempt income					(13)		(15)
State income taxes, net of federal benefit					(8)	9	5
Repatriation tax					14	112	
Effect on deferreds of federal rate reduction						(47)	
Foreign entity tax status change					22		
Federal tax credits					(23)	(18)	(31)
Federal rate reduction effect on capital loss carryback					(3)		
Domestic manufacturing deduction						(2)	(5)
Other					3	(1)	(4)
Income tax expense					1	181	70
Increase in provisional tax impact of the Tax Cuts and Jobs Act		3	$ 13		16		
Components of earnings before income taxes							
United States					(109)	273	272
Foreign					93	155	110
Total earnings (loss) excluding non-controlling interest					(16)	428	382
Less: Net loss (income) attributable to noncontrolling interest						1	(2)
Earnings (loss) before income taxes					(16)	427	384
Current:							
Federal					(20)	118	(1)
Foreign					32	19	21

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State and local					2	7
Deferred:						
Federal				5	20	36
Foreign				(5)	10	4
State and local				(11)	12	3
Income tax expense				1	181	70
Unrealized changes in other comprehensive loss				2	(3)	(12)
Total income taxes				3	178	58
Income taxes receivable		39		39	51	
Income taxes payable		14		14	3	
Deferred income tax liabilities:						
Depreciation		140		140	92	
Domestic partnerships		78		78	92	
LIFO					3	
Cash basis farming adjustment		5		5	5	
Deferred earnings of foreign subsidiaries		2		2		
Other		1		1	17	
Aggregate deferred income tax liabilities		226		226	209	
Deferred income tax assets:						
Reserves/accruals		70		70	61	
Deferred earnings of foreign subsidiaries					24	
Net operating and capital loss carry-forwards		56		56	51	
LIFO		7		7		
Tax credit carry-forwards		21		21	14	
Other		4		4	6	
Aggregate deferred income tax assets		158		158	156	
Valuation allowance		59		59	59	
Net deferred income tax liability		127		127	112	
Accrued interest and penalties on uncertain tax positions		6		6	3	
Unrecognized tax benefits, if recognized, would affect the effective tax rate		25		25	18	
Reconciliation of the beginning and ending amount of unrecognized tax benefits						
Balance at the beginning of the year	$ 18		$ 18	18	13	
Additions for uncertain tax positions of prior years				2	3	
Additions for uncertain tax positions of current year				6	3	
Lapse of statute of limitations				(1)	(1)	
Balance at the end of the year		25		25	18	13
Undistributed earnings from foreign operations		1,300		1,300		
Additional tax expense due to change in tax status				22		
Investments in limited partnerships		5		5	7	
One-time Federal blender's credits recognized as revenue			42			
Tax expense (benefit) on Federal blender's credits recognized as revenue			(4)			

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Other commitments						
Contribution to long-term investment				$ 21	$ 12	31
Minimum						
Reconciliation of the beginning and ending amount of unrecognized tax benefits						
Number of tax years typically subject to examination for major non-US jurisdictions				3 years		
Maximum						
2017 Tax Act						
Federal income tax rate (as a percent)					35.00%	
Anticipated tax expense associated with the global intangible low-taxed income ("GILTI") and the base-erosion and anti-abuse tax ("BEAT") provisions of the 2017 Tax Act				$ 1		
Reconciliation of the beginning and ending amount of unrecognized tax benefits						
Number of tax years typically subject to examination for major non-US jurisdictions				6 years		
Allowance for Deferred Tax Assets:						
Movement in valuation and qualifying accounts						
Balance at beginning of year	$ 59		$ 59	$ 59	$ 58	19
Charge (credit) to expense					1	39
Balance at end of year		59		$ 59	59	58
Refined coal processing plant						
Reconciliation of the beginning and ending amount of unrecognized tax benefits						
Number of limited liability companies invested in | company				3		
Other commitments						
Contribution to long-term investment				$ 17	$ 10	$ 14
Solar energy production facilities						
Reconciliation of the beginning and ending amount of unrecognized tax benefits						
Number of limited liability companies invested in | company						2
Other commitments						
Contribution to long-term investment						$ 10
Foreign						
Reconciliation of the beginning and ending amount of unrecognized tax benefits						
Net operating loss carry-forwards (NOLs)		148		148		
State						
Reconciliation of the beginning and ending amount of unrecognized tax benefits						
Tax credit carry-forwards		$ 20		$ 20		

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Segment Information - Pork Segment (Details) $ in Millions		3 Months Ended	12 Months Ended		24 Months Ended
	Aug. 30, 2017 USD ($)	Mar. 31, 2018 USD ($)	Dec. 31, 2018 segment	Dec. 31, 2016 USD ($)	Dec. 31, 2017 USD ($)
Segment Information					
Number of reportable segments | segment			6		
One-time Federal blender's credits recognized as revenue		$ 42			
Tax expense (benefit) on Federal blender's credits recognized as revenue		(4)			
Pork					
Segment Information					
One-time Federal blender's credits recognized as revenue		42			
Tax expense (benefit) on Federal blender's credits recognized as revenue		$ 0			
Pork | New Fashion Pork, LLP					
Segment Information					
Acquisition of business, cash consideration	$ 40				
Pork | Hog growing operations					
Segment Information					
Acquisition of business, cash consideration				$ 219	$ 40

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Segment Information - CT&M Segment (Details) - CT&M - USD ($) $ in Millions		3 Months Ended	12 Months Ended	
	Jan. 05, 2018	Apr. 01, 2017	Dec. 31, 2017	Dec. 31, 2016
Senegal, Ivory Coast and Monaco				
Segment Information				
Acquisition of business	$ 324			
Earn-out, low end of range	0			
Earn-out, high end of range	$ 48			
Bakery business | Democratic Republic of Congo | Notes receivable				
Segment Information				
Reserve on receivables from affiliates				$ 16
Pulse and grain elevator				
Segment Information				
Acquisition of business		$ 14	$ 14	

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Segment Information - Specific Financial Information About Each Segment (Details) - USD ($) $ in Millions	12 Months Ended		
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016
Segment Information			
Sales to External Customers	$ 6,583	$ 5,809	$ 5,379
Operating Income (Loss)	209	240	230
Loss from affiliates	(44)	(7)	81
Depreciation and amortization	134	118	102
Total Assets	5,307	5,161	
Investment in and Advances to Affiliates	804	851	
Capital expenditures	162	173	158
Pork			
Segment Information			
Sales to External Customers	1,774	1,609	1,443
Operating Income (Loss)	117	193	179
Loss from affiliates	(30)	(10)	11
Depreciation and amortization	73	69	56
Total Assets	1,304	1,309	
Investment in and Advances to Affiliates	192	231	
Capital expenditures	86	100	69
CT&M			
Segment Information			
Sales to External Customers	3,428	2,945	2,778
Operating Income (Loss)	46	25	38
Loss from affiliates	(11)	7	(10)
Depreciation and amortization	22	10	6
Total Assets	1,423	964	
Investment in and Advances to Affiliates	255	240	
Capital expenditures	29	15	35
Marine			
Segment Information			
Sales to External Customers	1,057	956	916
Operating Income (Loss)	25	21	33
Loss from affiliates	2	(7)	1
Depreciation and amortization	24	24	26
Total Assets	345	376	
Investment in and Advances to Affiliates	28	28	
Capital expenditures	18	37	19
Sugar and Alcohol			
Segment Information			
Sales to External Customers	184	186	147
Operating Income (Loss)	9	21	(12)

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Loss from affiliates	1	1	2
Depreciation and amortization	6	7	6
Total Assets	138	197	
Investment in and Advances to Affiliates	4	4	
Capital expenditures	5	20	33
Power			
Segment Information			
Sales to External Customers	122	97	79
Operating Income (Loss)	21	9	7
Loss from affiliates	10	6	4
Depreciation and amortization	8	8	8
Total Assets	203	188	
Investment in and Advances to Affiliates	30	38	
Capital expenditures	23	1	1
Turkey			
Segment Information			
Loss from affiliates	(16)	(4)	73
Total Assets	295	315	
Investment in and Advances to Affiliates	295	310	
All Other			
Segment Information			
Sales to External Customers	18	16	16
Operating Income (Loss)	2	2	2
Total Assets	8	4	
Segment Totals			
Segment Information			
Sales to External Customers	6,583		
Operating Income (Loss)	220	271	247
Depreciation and amortization	133	118	102
Total Assets	3,716	3,353	
Capital expenditures	161	173	157
Corporate Items			
Segment Information			
Operating Income (Loss)	(11)	(31)	(17)
Depreciation and amortization	1		
Total Assets	1,591	$ 1,808	
Capital expenditures	$ 1		$ 1

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Segment Information - Geographic Information (Details) - USD ($) $ in Millions	12 Months Ended		
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016
Geographic Information			
Net sales	$ 6,583	$ 5,809	$ 5,379
Long-lived assets	1,160	1,086	
Caribbean, Central and South America			
Geographic Information			
Net sales	2,753	2,295	1,990
Africa			
Geographic Information			
Net sales	1,668	1,483	1,572
United States			
Geographic Information			
Net sales	1,408	1,271	1,161
Long-lived assets	775	784	
Pacific Basin and Far East			
Geographic Information			
Net sales	381	393	309
Canada/Mexico			
Geographic Information			
Net sales	255	238	236
Europe			
Geographic Information			
Net sales	100	99	40
Dominican Republic			
Geographic Information			
Long-lived assets	109	114	
Senegal			
Geographic Information			
Long-lived assets	48		
Argentina			
Geographic Information			
Long-lived assets	50	73	
Ivory Coast			
Geographic Information			
Long-lived assets	36		
All Other			
Geographic Information			
Net sales	18	30	$ 71
Long-lived assets	$ 142	$ 115	

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Segment Information - Geographic Concentration (Details) - USD ($) $ in Millions	12 Months Ended		
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016
Concentration Risk			
Net sales	$ 6,583	$ 5,809	$ 5,379
Geographic concentration | South Africa			
Concentration Risk			
Net sales	589	581	650
Geographic concentration | Colombia			
Concentration Risk			
Net sales	$ 757	$ 495	$ 421
Sales | Geographic concentration | South Africa			
Concentration Risk			
Concentration risk (as a percent)	9.00%	10.00%	12.00%
Sales | Geographic concentration | Colombia			
Concentration Risk			
Concentration risk (as a percent)	11.00%	9.00%	8.00%
Accounts Receivable | Geographic concentration | Foreign Country			
Concentration Risk			
Foreign receivables, excluding receivables due from affiliates	$ 327	$ 242	

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