

SEABOARD CORP /DE/
Form 10-Q
November 08, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended October 1, 2011

OR

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

For the transition period from _____ to _____

Commission File Number 1-3390

Seaboard Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

04-2260388
(I.R.S. Employer Identification No.)

9000 W. 67th Street, Shawnee Mission, Kansas

66202

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(Address of principal executive offices)

(Zip Code)

(913) 676-8800

(Registrant's telephone number, including area code)

Not Applicable

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

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

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

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

Large Accelerated Filer o

Accelerated Filer x

Non-Accelerated Filer o

Smaller Reporting Company o

(Do not check if a smaller reporting company)

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

There were 1,212,297 shares of common stock, \$1.00 par value per share, outstanding on October 31, 2011.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

SEABOARD CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Earnings

*(Thousands of dollars except share and per share amounts)**(Unaudited)*

	Three Months Ended		Nine Months Ended	
	October 1, 2011	October 2, 2010	October 1, 2011	October 2, 2010
Net sales:				
Products (includes sales to affiliates of \$256,703, \$120,670, \$608,778 and \$363,891)	\$ 1,213,346	\$ 849,049	\$ 3,539,542	\$ 2,403,174
Services	234,758	231,029	718,313	681,659
Other	28,614	31,735	85,629	95,719
Total net sales	1,476,718	1,111,813	4,343,484	3,180,552
Cost of sales and operating expenses:				
Products	1,114,479	795,722	3,167,568	2,160,084
Services	222,339	196,379	663,831	584,637
Gain on sale of power generating facilities	(1,500)		(52,923)	
Other	24,935	25,738	73,013	78,776
Total cost of sales and operating expenses	1,360,253	1,017,839	3,851,489	2,823,497
Gross income	116,465	93,974	491,995	357,055
Selling, general and administrative expenses	49,476	52,332	157,765	146,700
Operating income	66,989	41,642	334,230	210,355
Other income (expense):				
Interest expense	(1,067)	(1,731)	(4,089)	(5,647)
Interest income	2,163	2,837	6,507	9,862
Interest income from affiliates	4,769	108	12,616	401
Income (loss) from affiliates	(2,677)	4,851	8,850	16,275
Other investment income (loss), net	(6,437)	7,819	(3,811)	8,704
Foreign currency gain (loss), net	(3,059)	5,552	4,086	2,623
Miscellaneous, net	(9,738)	(3,843)	(11,902)	(6,479)
Total other income (loss), net	(16,046)	15,593	12,257	25,739
Earnings before income taxes	50,943	57,235	346,487	236,094
Income tax expense	(15,854)	(17,752)	(81,341)	(56,591)
Net earnings	\$ 35,089	\$ 39,483	\$ 265,146	\$ 179,503
Less: Net loss attributable to noncontrolling interests	1,471	386	1,764	748
Net earnings attributable to Seaboard	\$ 36,560	\$ 39,869	\$ 266,910	\$ 180,251
Earnings per common share	\$ 30.07	\$ 32.74	\$ 219.52	\$ 146.93
Dividends declared per common share	\$	\$ 0.75	\$	\$ 2.25
Average number of shares outstanding	1,215,863	1,217,828	1,215,874	1,226,780

See accompanying notes to condensed consolidated financial statements.

SEABOARD CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(Thousands of dollars)

(Unaudited)

	October 1, 2011	December 31, 2010
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 50,937	\$ 41,124
Short-term investments	300,203	332,205
Receivables, net of allowance	480,957	359,944
Inventories	658,051	533,761
Deferred income taxes		