Rothe Christian E Form 3 June 15, 2011

FORM 3

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

OMB APPROVAL

OMB Number:

3235-0104

0.5

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF **SECURITIES**

January 31, Expires: 2005

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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section

30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *

A Rothe Christian E

(Last)

(Middle)

Statement

(Month/Day/Year)

06/10/2011

2. Date of Event Requiring 3. Issuer Name and Ticker or Trading Symbol

GRACO INC [GGG]

4. Relationship of Reporting Person(s) to Issuer

Director

_X__ Officer

5. If Amendment, Date Original Filed(Month/Day/Year)

88 11TH AVENUE NE

(Street)

(First)

(Check all applicable)

10% Owner Other

(give title below) (specify below) Vice President and Treasurer 6. Individual or Joint/Group

Filing(Check Applicable Line) _X_ Form filed by One Reporting

Person

Form filed by More than One

Reporting Person

MINNEAPOLIS. MNÂ 55413

(City) (State)

1. Title of Security

(Instr. 4)

(Zip)

2. Amount of Securities

Beneficially Owned (Instr. 4)

Ownership Form: Direct (D)

> or Indirect (I) (Instr. 5)

Table I - Non-Derivative Securities Beneficially Owned

4. Nature of Indirect Beneficial Ownership (Instr. 5)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)

2. Date Exercisable and **Expiration Date**

(Month/Day/Year)

3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)

4. Conversion or Exercise Price of

5. Ownership Form of Derivative

6. Nature of Indirect Beneficial Ownership

(Instr. 5)

Date Expiration Exercisable Date

Amount or Title Number of Shares

Derivative Security

Security: Direct (D) or Indirect

(I) (Instr. 5)

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Non-Qualified Stock Option (right to buy)

 $\hat{\mathbf{A}}$ $\underline{^{(1)}}$

06/06/2021

Common

15,000

\$ 49.73 (1)

D Â

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer

Other

Rothe Christian E

88 11TH AVENUE NE MINNEAPOLIS, MNÂ 55413 Â

Â

Vice President and Treasurer Â

Signatures

By: Carrie D. Russell, Attorney-in-Fact For: Christian E

06/15/2011

Rothe

**Signature of Reporting Person

Date

Explanation of Responses:

If the form is filed by more than one reporting person, see Instruction 5(b)(v).

Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Employee stock option granted pursuant to the Graco Inc. 2010 Stock Incentive Plan in transaction exempt under Rule 16b-3. The stock option becomes exercisable in four equal annual installments, commencing one year after the date of the grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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