GRACO INC Form 4 September 20, 2005

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL OMB

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Check this box

Form 5 obligations may continue. See Instruction

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

1(b).

Stock

(Print or Type Responses)

1. Name and Address of Reporting Person * GRANER JAMES A			2. Issuer Name and Ticker or Trading Symbol GRACO INC [GGG]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(Check an applicable)			
88 11TH AVENUE NE			(Month/Day/Year) 03/31/2005	Director 10% Owner _X_ Officer (give title Other (specify below) VICE PRESIDENT AND CONTROLLER			
(Street) MINNEAPOLIS, MN 55413			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person			
			Filed(Month/Day/Year)				

(State) (City) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1.Title of 2. Transaction Date 2A. Deemed 3. 4. Securities Acquired (A) 5. Amount of 6. 7. Nature of Security (Month/Day/Year) Execution Date, if Transaction Disposed of (D) Securities Ownership Indirect (Instr. 3) Code (Instr. 3, 4 and 5) Beneficially Form: Beneficial (Month/Day/Year) (Instr. 8) Owned Direct (D) Ownership Following or Indirect (Instr. 4) Reported (A) Transaction(s) (Instr. 4) (Instr. 3 and 4) Code V Amount (D) Price Common 09/16/2005 S 3,000 D 69,081 D 35.55 Stock Common 03/31/2005 $J^{(1)}$ 5.3051 2,807.5201 I by ESOP Stock Common J(1)Ι 06/30/2005 19.7097 A 2,827.2298 by ESOP

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

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number.

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

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exerc	cisable and	7. Titl	e and	8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transacti	onNumber	Expiration D	ate	Amou	nt of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Under	lying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivativ	e		Securi	ities	(Instr. 5)	Bene
	Derivative				Securities	3		(Instr.	3 and 4)		Own
	Security				Acquired						Follo
	•				(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
									Amount		
						Date	Expiration	m: .1	or		
						Exercisable	Date	Title	Number		
				~					of		
				Code V	(A) (D)				Shares		

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

GRANER JAMES A 88 11TH AVENUE NE MINNEAPOLIS, MN 55413

VICE PRESIDENT AND CONTROLLER

Signatures

By: Kristen C. Nelson For: James A.

Graner

09/19/2005

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(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).
- (1) ESOP Dividends paid pursuant to the Graco Employee Stock Ownership Plan, exempt under Rule 16b-3(c).

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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