

The amount of hedge ineffectiveness was less than \$1 million in each of fiscal 2010, 2009 and 2008.

We also have many net investments in foreign subsidiaries that are denominated in euros. We hedged a portion of these net investments by issuing euro-denominated commercial paper and foreign exchange forward contracts. As of May 30, 2010, we had deferred net foreign currency transaction losses of \$95.7 million in accumulated other comprehensive loss (AOCI) associated with hedging activity.

Fair Value Measurements And Financial Statement Presentation

We categorize assets and liabilities into one of three levels based on the assumptions (inputs) used in valuing the asset or liability. Level 1 provides the most reliable measure of fair value, while

Level 3 generally requires significant management judgment. The three levels are defined as follows:

- Level 1:* Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2:* Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.
- Level 3:* Unobservable inputs reflecting management's assumptions about the inputs used in pricing the asset or liability.

The fair values of our assets, liabilities, and derivative positions recorded at fair value as of May 30, 2010, were as follows:

In Millions	Fair Values of Assets				Fair Values of Liabilities			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivatives designated as hedging instruments:								
Interest rate contracts ^{(a)(d)}	\$ —	\$ 5.8	\$—	\$ 5.8	\$ —	\$ (17.1)	\$—	\$ (17.1)
Foreign exchange contracts ^{(b)(c)}	—	8.6	—	8.6	—	(12.5)	—	(12.5)
Total	—	14.4	—	14.4	—	(29.6)	—	(29.6)
Derivatives not designated as hedging instruments:								
Interest rate contracts ^{(a)(d)}	—	124.3	—	124.3	—	(163.1)	—	(163.1)
Foreign exchange contracts ^(b)	—	9.5	—	9.5	—	(1.0)	—	(1.0)
Commodity contracts ^{(b)(f)}	—	7.4	—	7.4	(5.6)	—	—	(5.6)
Total	—	141.2	—	141.2	(5.6)	(164.1)	—	(169.7)
Other assets and liabilities reported at fair value:								
Marketable investments ^{(a)(e)}	15.5	11.9	—	27.4	—	—	—	—
Grain contracts ^{(b)(f)}	—	11.9	—	11.9	—	(13.0)	—	(13.0)
Long-lived assets ^(g)	—	0.4	—	0.4	—	—	—	—
Total	15.5	24.2	—	39.7	—	(13.0)	—	(13.0)
Total assets, liabilities, and derivative positions recorded at fair value	\$15.5	\$179.8	\$—	\$195.3	\$ (5.6)	\$ (206.7)	\$—	\$ (212.3)

(a) These contracts and investments are recorded as other assets or as other liabilities, as appropriate, based on whether in a gain or loss position. Certain marketable investments are recorded as cash and cash equivalents.

(b) These contracts are recorded as prepaid expenses and other current assets or as other current liabilities, as appropriate, based on whether in a gain or loss position.

(c) Based on observable market transactions of spot currency rates and forward currency prices.

(d) Based on LIBOR and swap rates.

(e) Based on prices of common stock and bond matrix pricing.

(f) Based on prices of futures exchanges and recently reported transactions in the marketplace.

(g) We recorded a \$6.6 million noncash impairment charge in fiscal 2010 to write down certain long-lived assets to their fair value of \$0.4 million. Fair value was based on recently reported transactions for similar assets in the marketplace. These assets had a book value of \$7.0 million and were associated with the exit activities described in Note 4.

We did not significantly change our valuation techniques from prior periods.