impact from divestitures. Volume declines and commodity-related pricing actions in coffee drove an 8% decrease in net sales, to $3.80 billion. Net earnings grew 16%, to $384 million, as broad-based cost reductions more than offset declining volumes.

The fourth quarter marked the completion of the Jif and Crisco spin-off. This transaction, which is accounted for similar to a dividend, delivered excellent value to shareholders – equivalent to approximately $0.60 per share.

In 2001, food and beverage unit volume declined 10%, including a 2% impact from divestitures. Unit volume was negatively affected by reduced trade merchandising and the impact of snacks pricing actions in North America and Western Europe and the divestiture of the institutional shortening and oils business. Net sales were $4.14 billion, down 11%. Net earnings were $332 million, down 9% versus 2000.

Corporate

The corporate segment includes both operating and non-operating elements such as financing and investing activities, certain benefit costs, restructuring charges, segment eliminations and other general corporate items.

Corporate includes adjustments from management reporting conventions to conform with accounting principles generally accepted in the United States of America. These primarily affect the treatment of entities over which the Company exerts significant influence but does not control, and income taxes, which are reflected in the business segments using estimated local statutory tax rates.

Corporate results reflect a decrease in one-time gains from the Company's non-strategic divestiture program. Moreover, reduced corporate hedging gains versus 2001 were partially offset by decreased restructuring costs, lower interest expense and the discontinuation of amortizing goodwill and certain indefinite-lived intangibles.

In 2001, corporate results reflect increased restructuring costs, higher benefit costs and certain tax impacts not reflected in the businesses. These were partially offset by one-time gains from the Company's divestiture program, reduced overhead spending and corporate hedging gains.

Critical Accounting Policies

The Company makes various estimates when applying accounting policies affecting the Consolidated Balance Sheet, Consolidated Statement of Cash Flows and Consolidated Statement of Earnings. Due to the nature of the Company's business, these estimates generally are not considered highly uncertain at the time of estimation – meaning they are not expected to result in a period-to-period change that would materially affect the Company's results of operations or financial condition.

The Company does apply certain key accounting policies as required by accounting principles generally accepted in the United States of America. These key accounting policies govern revenue recognition, restructuring, income taxes and certain employee benefits.

Revenue Recognition

Revenue is recognized when it is realized or realizable and earned. The vast majority of the Company's revenue relates to sale of inventory to customers, and revenue is recognized when title and the risks and rewards of ownership pass to the customer. Given the nature of the Company's business and the applicable rules guiding revenue recognition, the Company's revenue recognition practices do not contain estimates that materially affect results of operations.

Restructuring

Restructuring charges relate to the restructuring program that began in 1999. The Company provides forward-looking information about the overall program, including estimated costs and savings. Such disclosures represent management's best estimate, but do require significant estimates about the program that may change over time. However, the specific reserves recorded in each year under the restructuring program are not considered highly uncertain, see Note 2 to the Consolidated Financial Statements.

Income Taxes

Under SFAS No. 109, "Accounting for Income Taxes," income taxes are recorded based on the current year amounts payable or refundable, as well as the consequences of events that give rise to deferred tax assets and liabilities based on differences in how those events are treated for tax purposes (see Note 11). The Company bases its estimate of deferred tax assets and liabilities on current tax laws and rates and, in certain cases, business plans and other expectations about future outcomes.

Changes in existing regulatory tax laws and rates may affect