GENERAL MILLS INC
Form 424B5
January 17, 2007

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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is prohibited.

**SUBJECT TO COMPLETION, DATED JANUARY 17, 2007**

**Filed Pursuant to Rule 424(b)(5)**

**Registration Nos. 333-116779 and 333-75808**

**PROSPECTUS SUPPLEMENT**
**(To Prospectus dated September 20, 2004)**

**$**

# General Mills, Inc.

## $ Floating Rate Notes due 2010
## $ % Notes due 2017

The floating rate notes will mature on January , 2010. We will pay interest on the floating rate notes on January , April , July and October of each year, beginning April , 2007. Interest on the floating rate notes will be reset on each interest payment date, beginning on April , 2007, based on the three-month LIBOR rate plus %.

The fixed rate notes will mature on February 15, 2017. We will pay interest on the fixed rate notes on February 15 and August 15 of each year, beginning August 15, 2007.

The floating rate notes are not redeemable prior to maturity. The fixed rate notes are redeemable in whole or in part at any time at our option at the redemption price equal to the make-whole amount described on page S-15.

The notes will be our senior unsecured obligations and will rank equally with our existing and future unsecured senior indebtedness. The notes will be issued only in denominations of $2,000 and integral multiples of $1,000 in excess thereof.

**Investing in the notes involves risk. See Risk Factors beginning on page S-7 of this prospectus supplement.**

| | Per Floating Rate Note | Total | Per Fixed Rate Note | Total |
|---|---|---|---|---|
| Public offering price(1) | % | $ | % | $ |
| Underwriting discount | % | $ | % | $ |
| Proceeds (before expenses) to General Mills(1) | % | $ | % | $ |

(1) Plus accrued interest from January , 2007, if settlement occurs after that date.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The notes will not be listed on any securities exchange. Currently, there is no public market for either series of the notes.

The underwriters expect to deliver the notes to purchasers through the book-entry delivery system of The Depository Trust Company for the accounts of its participants, including Clearstream and the Euroclear System, on or about January , 2007, against payment in immediately available funds.

*Joint Book-Running Managers*

**Banc of America Securities LLC** **Barclays Capital** **JPMorgan**

The date of this prospectus supplement is January , 2007.

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### Prospectus Supplement



### Prospectus

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## ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. This prospectus supplement and the information incorporated by reference in this prospectus supplement also adds to, updates and changes information contained or incorporated by reference in the accompanying prospectus. If information in this prospectus supplement or the information incorporated by reference in this prospectus supplement is inconsistent with the accompanying prospectus or the information incorporated by reference therein, then this prospectus supplement or the information incorporated by reference in this prospectus supplement will apply and will supersede the information in the accompanying prospectus.

The accompanying prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, using a shelf registration statement. Under the shelf registration process, from time to time, we may offer and sell debt securities, common stock, preference stock, depositary shares, securities warrants, purchase contracts, purchase units, units or any combination thereof, in one or more offerings.

It is important that you read and consider all of the information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents to which we have referred you in Incorporation by Reference on page iii of this prospectus supplement and Where You Can Find More Information About General Mills on page 2 of the accompanying prospectus.

**You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not making an offer to sell the notes in any jurisdiction where the offer or sale of the notes is not permitted. You should assume that the information in this prospectus supplement and the accompanying prospectus is accurate only as of their respective dates and that any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference.**

All references in this prospectus supplement and the accompanying prospectus to General Mills, we, us or our mean General Mills, Inc. an its majority-owned subsidiaries except where it is clear from the context that the term means only the issuer, General Mills, Inc. Unless otherwise stated, currency amounts in this prospectus supplement and the accompanying prospectus are stated in United States dollars. All references to notes is this prospectus supplement refer collectively to the floating rate notes and the fixed rate notes.

Trademarks and service marks that are owned or licensed by us or our subsidiaries are set forth in capital letters in this prospectus supplement and the accompanying prospectus.

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## INCORPORATION BY REFERENCE

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public through the Internet at the SEC s website at http://www.sec.gov. You may also read and copy any document we file at the SEC s public reference room at 100 F Street N.E., Washington, D.C. 20549. Please call the SEC at 1-800-732-0330 for further information on the public reference room.

The SEC allows us to incorporate by reference the information we file with them into this prospectus supplement and the accompanying prospectus. This means that we can disclose important information to you by referring you to another document that we have filed separately with the SEC that contains that information. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus. Information that we file with the SEC after the date of this prospectus supplement will automatically update and, where applicable, modify and supersede the information included or incorporated by reference in this prospectus supplement and the accompanying prospectus. We incorporate by reference (other than any portions of any such documents that are not deemed filed under the Securities Exchange Act of 1934 in accordance with the Securities Exchange Act of 1934 and applicable SEC rules):

our Annual Report on Form 10-K for the fiscal year ended May 28, 2006 (as amended by Amendment No. 1 on Form 10-K/ A);

our Quarterly Reports on Form 10-Q for the fiscal quarters ended August 27, 2006 (as amended by Amendment No. 1 on Form 10-Q/ A) and November 26, 2006;

our Current Reports on Form 8-K filed on June 28, 2006, September 26, 2006, October 17, 2006, December 12, 2006, December 28, 2006, January 5, 2007 and January 16, 2007; and

any future filings we make with the SEC under Sections 13(a), l3(c), 14 or 15(d) of the Securities Exchange Act of 1934 until we sell all of the securities offered by this prospectus supplement.

You may request a copy of any of these filings (excluding exhibits to those documents unless they are specifically incorporated by reference in those documents) at no cost by writing to or telephoning us at the following address and phone number:

General Mills, Inc.
Number One General Mills Boulevard
Minneapolis, Minnesota 55426
Attention: Corporate Secretary
(763) 764-3617

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## SUMMARY

*The information below is a summary of the more detailed information included elsewhere in or incorporated by reference in this prospectus supplement. You should read carefully the following summary in conjunction with the more detailed information contained in this prospectus supplement, including the Risk Factors section beginning on page S-7 of this prospectus supplement, the accompanying prospectus and the information incorporated by reference. This summary is not complete and does not contain all of the information you should consider before purchasing the notes.*

### Our Business

We are a leading producer of packaged consumer foods and operate exclusively in the consumer foods industry. We market our products primarily through our own sales organization, supported by advertising and other promotional activities. We primarily distribute our products directly to retail food chains, cooperatives, membership stores and wholesalers. Our fiscal year ends on the last Sunday in May. All references to our fiscal years are to our fiscal years ending on the last Sunday in May of each such period.

We were incorporated under the laws of the State of Delaware in 1928. We employ approximately 28,600 persons worldwide. Our principal executive offices are located at Number One General Mills Boulevard, Minneapolis, Minnesota 55426; our telephone number is (763) 764-7600. See Incorporation by Reference on page iii of this prospectus supplement and Where You Can Find More Information About General Mills on page 2 of the accompanying prospectus for details about information incorporated by reference into this prospectus supplement and the accompanying prospectus.

### Business Segments

We have multiple operating segments organized generally by product categories. We aggregate our operating segments into three reportable segments by type of customer and geographic region as follows:

- U.S. Retail;
- International; and
- Bakeries and Foodservice.

U.S. Retail reflects business with a wide variety of grocery stores, mass merchandisers, club stores, specialty stores and drug, dollar and discount chains operating throughout the United States. Our major product categories in this business segment are: ready-to-eat cereals, meals, refrigerated and frozen dough products, baking products, snacks, yogurt and organic foods. Our International segment includes a retail business in Canada that largely mirrors our U.S. retail product mix, along with retail and foodservice businesses competing in key markets in Europe, Latin America and the Asia/ Pacific region. Our Bakeries and Foodservice segment consists of products marketed throughout the United States and Canada to retail and wholesale bakeries, commercial and noncommercial foodservice distributors and operators, restaurants and convenience stores.

Our primary product and service categories and our main brands are outlined below:

### U.S. Retail

The U.S. Retail segment accounted for approximately 69 percent of our total fiscal 2006 net sales. Our principal product categories in the U.S. Retail segment are:

*Big G Cereals.* We produce and sell a number of ready-to-eat cereals, including such well-known brands as CHEERIOS, WHEATIES and TOTAL.

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*Meals.* We manufacture and sell several lines of convenient dinner products, including BETTY CROCKER dry packaged dinner mixes, specialty potatoes and instant mashed potatoes, OLD EL PASO Mexican foods, PROGRESSO soups and GREEN GIANT canned and frozen vegetables and meal starters.

*Pillsbury USA.* We manufacture and sell refrigerated and frozen dough products, frozen breakfast products, and frozen pizza and snack products, including a variety of PILLSBURY refrigerated and frozen dough products for cookies, breads, biscuits, rolls and pie crusts, PILLSBURY frozen waffles, pancakes and breakfast pastries, and TOTINO S and JENO s frozen pizza and snacks.

*Baking Products.* We make and sell a line of dessert, muffin and baking mixes under the BETTY CROCKER trademark, baking mixes under the BISQUICK trademark and flour under the GOLD MEDAL brand.

*Snacks.* We produce and market POP SECRET microwave popcorn, lines of grain snacks including NATURE VALLEY granola bars, fruit snacks, CHEX and GARDETTO s snack mixes and BUGLES snacks.

*Yoplait.* We manufacture and sell yogurt products, such as YOPLAIT and COLOMBO yogurt, including YOPLAIT WHIPS!, a mousse-like yogurt, YOPLAIT NOURICHE, a meal replacement yogurt drink, and GO-GURT, yogurt-in-a-tube.

*Organic.* We produce and market a variety of organic food products under our CASCADIAN FARM and MUIR GLEN trademarks.

**International**

International operations accounted for approximately 16 percent of our total fiscal 2006 net sales. Outside the United States, we manufacture our products in 17 countries and distribute them in over 100 countries. In Canada, we market products in many categories, including cereals, meals, refrigerated dough products, baking products and snacks. Outside of North America, we offer numerous local brands in addition to such internationally recognized brands as HÄAGEN-DAZS ice cream, OLD EL PASO Mexican foods, GREEN GIANT vegetables, PILLSBURY dough products and mixes, BETTY CROCKER mixes, BUGLES snacks and NATURE VALLEY granola bars. We also sell mixes and dough products to bakery and foodservice customers outside of the United States and Canada.

**Bakeries and Foodservice**

Bakeries and Foodservice accounted for approximately 15 percent of our total fiscal 2006 net sales. We market mixes and unbaked and fully baked frozen dough products to retail, supermarket and wholesale bakeries under the PILLSBURY and GOLD MEDAL trademarks. We also market frozen dough products, branded baking mixes, cereals, snacks, dinner and side dish products, refrigerated and soft-serve frozen yogurt, and custom food items to quick serve chains and other restaurants, business and school cafeterias, convenience stores and vending companies.

**Joint Ventures**

In addition to our consolidated operations, we manufacture and sell products through several joint ventures.

*Domestic Joint Venture.* We have a 50 percent equity interest in 8th Continent, LLC, a joint venture formed with DuPont to develop and market soy-based products. This venture began marketing a line of 8TH CONTINENT soymilk in July 2001.

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*International Joint Ventures.* We have a 50 percent equity interest in Cereal Partners Worldwide, or CPW, a joint venture with Nestlé, S.A. that manufactures and markets ready-to-eat cereal products in more than 130 countries and republics outside the United States and Canada. CPW also markets cereal bars in several European countries and manufactures private label cereals for customers in the United Kingdom. On July 14, 2006, CPW acquired the Uncle Tobys cereal business in Australia for approximately $385 million. This business had revenues of approximately $100 million for the fiscal year ended June 30, 2006. We have a 50 percent equity interest in two joint ventures for the manufacture, distribution and marketing of HÄAGEN-DAZS frozen ice cream products and novelties in Japan and Korea. In May 2006, we acquired all of the equity interests of our HÄAGEN-DAZS joint venture in the Philippines for less than $1 million. We have a 49 percent equity interest in a HÄAGEN-DAZS joint venture in Thailand. We also have a 50 percent equity interest in Seretram, a joint venture with Co-op de Pau for the production of GREEN GIANT canned corn in France.

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**Selected Financial Information**

The following table sets forth selected consolidated historical financial data for each of the fiscal years ended May 2004 through 2006 and for the twenty-six weeks ended November 27, 2005 and November 26, 2006. Our fiscal years end on the last Sunday in May. Fiscal 2004 comprised fifty-three weeks; all other fiscal years comprised fifty-two weeks. The selected historical financial data as of May 2005 and 2006 and for each of the fiscal years ended May 2004, 2005 and 2006 have been derived from, and should be read together with, our audited consolidated financial statements and related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations contained in the annual reports and other documents that we have filed with the SEC and incorporated by reference in this prospectus supplement and the accompanying prospectus. The selected historical financial data as of May 2004 have been derived from audited consolidated financial statements not incorporated by reference in this prospectus supplement and the accompanying prospectus. The selected historical financial data for the twenty-six week periods ended November 27, 2005 and November 26, 2006 are unaudited and have been derived from, and should be read together with, our unaudited consolidated financial statements and related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations contained in the quarterly reports and other documents that we have filed with the SEC and incorporated by reference in this prospectus supplement and the accompanying prospectus. In the opinion of our management, the unaudited historical financial data were prepared on the same basis as the audited historical financial data and include all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of this information. Results of operations for the twenty-six weeks ended November 26, 2006 are not necessarily indicative of results of operations that may be expected for the full fiscal year.

| | Fiscal Year Ended | | | 26 Weeks Ended | |
|---|---|---|---|---|---|
| | May 28, 2006 | May 29, 2005 | May 30, 2004 | November 26, 2006 | November 27, 2005 |
| | (In millions, except percentage data) | | | | |
| **Financial Results:** | | | | | |
| Net sales | $11,712 | $11,308 | $11,122 | $ 6,327 | $ 5,972 |
| Cost of sales | 7,545 | 7,326 | 7,034 | 3,984 | 3,776 |
| Selling, general and administrative expenses | 2,179 | 1,998 | 2,052 | 1,180 | 1,091 |
| Restructuring and other exit costs (income) | 30 | 84 | 26 | (3) | 11 |
| Operating profit | 1,958 | 1,900 | 2,010 | 1,166 | 1,094 |
| Divestitures (gain) | | (499) | | | |
| Debt repurchase costs | | 137 | | | |
| Interest expense, net | 399 | 455 | 508 | 215 | 194 |
| Earnings before income taxes and after-tax earnings from joint ventures | 1,559 | 1,807 | 1,502 | 951 | 900 |
| Income taxes | 538 | 661 | 526 | 341 | 319 |
| After-tax earnings from joint ventures | 69 | 94 | 79 | 42 | 41 |
| Net earnings | $ 1,090 | $ 1,240 | $ 1,055 | $ 652 | $ 622 |
| Net earnings as a percent of sales | 9.3% | 11.0% | 9.5% | 10.3% | 10.4% |
| **Financial Position At Period End:** | | | | | |
| Total assets | $18,207 | $18,066 | $18,448 | $18,763 | $18,460 |
| Long-term debt, excluding current portion | 2,415 | 4,255 | 7,410 | 2,241 | 3,995 |
| Stockholders equity | 5,772 | 5,676 | 5,248 | 5,546 | 5,396 |

At the beginning of fiscal 2007, we made certain changes in the classifications of revenues and expenses, balance sheet liabilities and cash flows from joint ventures. We have reclassified previously

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reported consolidated statements of earnings, consolidated balance sheets and consolidated statements of cash flows to conform to the current year presentation. These reclassifications had no effect on previously reported net earnings.

We made a change in accounting principle to classify shipping costs associated with the distribution of finished products to our customers as cost of sales. We previously recorded these costs in selling, general and administrative expense. We made this change in principle because we believe the classification of these shipping costs in cost of sales better reflects the cost of producing and distributing our products and aligns our external financial reporting with the results we use internally to evaluate segment operating performance.

We also reclassified (i) certain trade-related costs and customer allowances as cost of sales or selling, general and administrative expense (previously recorded as reductions of net sales), (ii) certain liabilities, including trade and consumer promotion accruals, from accounts payable to other current liabilities, (iii) certain distributions from joint ventures as operating cash flows (previously reported as investing cash flows) and (iv) royalties from a joint venture to after-tax earnings from joint ventures (previously recorded as a reduction of selling, general and administrative expense). These reclassifications were not material individually or in the aggregate.

**The Offering**

The summary below describes the principal terms of the notes. Some of the terms and conditions described below are subject to important limitations and exceptions. Unless specified otherwise, the description of the terms of the notes applies to the floating rate notes and the fixed rate notes. See Description of the Notes on page S-13 of this prospectus supplement and Description of Debt Securities on page 7 of the accompanying prospectus for a more detailed description of the terms and conditions of the notes.

| | |
|---|---|
| **Issuer** | General Mills, Inc. |
| **Securities Offered** | $ aggregate principal amount of floating rate notes due 2010. |
| | $ aggregate principal amount of % notes due 2017. |
| **Maturity** | Floating rate notes: January , 2010. |
| | Fixed rate notes: February 15, 2017. |
| **Interest on the Floating Rate Notes** | The floating rate notes will bear interest at a variable rate reset each interest period based on the three-month LIBOR rate plus %, as described under the heading Description of the Notes Floating Rate Notes. |
| | Interest on the floating rate notes will accrue from January , 2007 and will be payable on January , April , July and October of each year, beginning April , 2007. |
| **Interest on the Fixed Rate Notes** | % per year. |
| | Interest on the fixed rate notes will accrue from January , 2007 and will be payable on February 15 and August 15 of each year, beginning August 15, 2007. |
| **Covenants** | We will issue the notes under an indenture containing covenants that restrict our ability, with significant exceptions, to:<br>incur debt secured by liens; and<br>engage in sale/leaseback transactions. |

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| | |
|---|---|
| **Ranking** | The notes will be our unsecured and unsubordinated obligations and will rank equal in priority with all of our existing and future unsecured and unsubordinated indebtedness and senior in right of payment to all of our existing and future subordinated indebtedness. The notes will effectively rank junior to all of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness and to all liabilities of our subsidiaries. |
| **Redemption** | The floating rate notes are not redeemable prior to maturity. The fixed rate notes are redeemable in whole or in part at any time at our option at the redemption price equal to the make-whole amount described under the heading Description of the Notes Redemption. |
| **Sinking Fund** | None. |
| **Use of Proceeds** | We intend to use the net proceeds to repay at maturity our outstanding $1.47 billion aggregate principal amount of 5 1/8% notes due 2007. |
| **Denominations and Form** | We will issue the notes of each series in the form of one or more fully registered global notes registered in the name of the nominee of The Depository Trust Company, or DTC. Beneficial interests in the notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Clearstream Banking, société anonyme and Euroclear Bank, S.A./ N.V., as operator of the Euroclear System, will hold interests on behalf of their participants through their respective U.S. depositaries, which in turn will hold such interests in accounts as participants of DTC. Except in the limited circumstances described in this prospectus supplement, owners of beneficial interests in the notes will not be entitled to have notes registered in their names, will not receive or be entitled to receive notes in definitive form and will not be considered holders of notes under the indenture. The notes will be issued only in denominations of $2,000 and integral multiples of $1,000 in excess thereof. |
| **No Listing** | We do not intend to apply for the listing of the notes of either series on any securities exchange or for the quotation of such notes in any dealer quotation system. |
| **Risk Factors** | An investment in the notes involves risks. You should carefully consider the information set forth in the section of this prospectus supplement entitled Risk Factors beginning on page S-7, as well as other information included in or incorporated by reference into this prospectus supplement and the accompanying prospectus before deciding whether to invest in the notes. |
| **Trustee, Registrar and Paying Agent** | U.S. Bank National Association. |

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## RISK FACTORS

*An investment in the notes involves risks. Before deciding whether to purchase the notes, you should consider the risks discussed below or elsewhere in this prospectus supplement, including those set forth under the heading Cautionary Statement Regarding Forward-Looking Statements on page S-9 of this prospectus supplement, and in our filings with the SEC that we have incorporated by reference in this prospectus supplement and the accompanying prospectus. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also impair our business operations.*

*Any of the risks discussed below or elsewhere in this prospectus supplement or in our SEC filings incorporated by reference in this prospectus supplement and the accompanying prospectus, and other risks we have not anticipated or discussed, could have a material impact on our business, financial condition or results of operations. In that case, our ability to pay interest on the notes when due or to repay the notes at maturity could be adversely affected, and the trading price of the notes could decline substantially.*

***We have a substantial amount of indebtedness, which could limit financing and other options and adversely affect our ability to make payments on the notes.***

We have a substantial amount of indebtedness. As of November 26, 2006, we had approximately $6.7 billion of total debt, including $123 million of debt from consolidated subsidiaries. As of November 26, 2006, preferred stock and interests of subsidiaries, shown as minority interests on our consolidated balance sheets, totaled approximately $1.1 billion. The agreements under which we have issued indebtedness do not prevent us from incurring additional unsecured indebtedness in the future.

Our level of indebtedness could have important consequences to holders of the notes. For example, it may limit:

- our ability to obtain additional financing for working capital, capital expenditures or general corporate purposes, particularly if the ratings assigned to our debt securities by rating organizations were revised downward; and

- our flexibility to adjust to changing business and market conditions and make us more vulnerable to a downturn in general economic conditions as compared to our competitors.

There are various financial covenants and other restrictions in our debt instruments. If we fail to comply with any of these requirements, the related indebtedness (and other unrelated indebtedness) could become due and payable prior to its stated maturity. A default under our debt instruments may also significantly affect our ability to obtain additional or alternative financing.

Our ability to make scheduled payments or to refinance our obligations with respect to indebtedness will depend on our operating and financial performance, which in turn, is subject to prevailing economic conditions and to financial, business and other factors beyond our control.

***The notes are effectively subordinated to any secured obligations we may have outstanding and to the obligations of our subsidiaries.***

Although the notes are unsubordinated obligations, they are effectively subordinated to any secured obligations we may have, to the extent of the assets that serve as security for those obligations. General Mills, Inc. does not currently have any material secured obligations. In addition, since the notes are obligations exclusively of General Mills, Inc. and are not guaranteed by our subsidiaries, the notes are also effectively subordinated to all liabilities of our subsidiaries, to the extent of their assets, since they are separate and distinct legal entities with no obligation to pay any amounts due under our indebtedness, including the notes, or to make any funds available to us, whether by paying dividends or otherwise, so that we can do so. Our subsidiaries are not prohibited from incurring additional debt or other liabilities, including senior indebtedness. If our subsidiaries were to incur additional debt or liabilities, our ability to pay our obligations on the notes could be adversely affected. As of November 26, 2006, our consolidated subsidiaries had approximately $123 million of debt, and preferred stock and interests of subsidiaries, shown as minority interests on our consolidated balance sheets, totaled approximately $1.1 billion.

***We may incur additional indebtedness.***

The indenture governing the notes does not prohibit us from incurring substantial additional indebtedness in the future. We are also permitted to incur additional secured indebtedness that would be effectively senior to the notes. The indenture governing the notes also permits unlimited additional borrowings by our subsidiaries that are effectively senior to the notes. In addition, the indenture does not contain any restrictive covenants limiting our ability to pay dividends or make any payments on junior or other indebtedness.

***An active trading market may not develop for the notes.***

Prior to the offering, there was no existing trading market for the notes of either series. We do not intend to apply for listing of the notes on any securities exchange or for quotation of the notes in any dealer quotation system. Although the underwriters have informed us that they currently intend to make a market in the notes of each series after we complete the offering, they have no obligation to do so and may discontinue making a market at any time without notice.

If an active trading market does not develop or is not maintained, the market price and liquidity of the notes of either series may be adversely affected. In that case, you may not be able to sell your notes at a particular time or you may not be able to sell your notes at a favorable price. The liquidity of any market for the notes will depend on a number of factors, including:

- the number of holders of the notes;
- our ratings published by major credit rating agencies;
- our financial performance;
- the market for similar securities;
- the interest of securities dealers in making a market in the notes; and
- prevailing interest rates.

We cannot assure you that an active market for the notes will develop or, if developed, that it will continue.

***Our credit ratings may not reflect all risks of an investment in the notes.***

Our credit ratings may not reflect the potential impact of all risks related to the market values of the notes. However, real or anticipated changes in our credit ratings will generally affect the market values of the notes.

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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

We and our representatives may from time to time make written or oral forward-looking statements with respect to our annual or long-term goals, including statements contained in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, our filings with the SEC and our reports to stockholders.

The words or phrases will likely result, are expected to, will continue, is anticipated, estimate, plan, project or similar expressions forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results and those currently anticipated or projected. We wish to caution you not to place undue reliance on any such forward-looking statements, which speak only as of the date made.

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, we are identifying important factors that could affect our financial performance and could cause our actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements.

Our future results could be affected by a variety of factors, such as:

competitive dynamics in the consumer foods industry and the markets for our products, including new product introductions, advertising activities, pricing actions and promotional activities of our competitors;

economic conditions, including changes in inflation rates, interest rates or tax rates;

product development and innovation;

consumer acceptance of new products and product improvements;

consumer reaction to pricing actions and changes in promotion levels;

acquisitions or dispositions of businesses or assets;

changes in capital structure;

changes in laws and regulations, including labeling and advertising regulations;

impairments in the carrying value of goodwill or other intangibles;

changes in accounting standards and the impact of significant accounting estimates;

product quality and safety issues, including recalls and product liability;

changes in customer demand for our products;

effectiveness of advertising, marketing and promotional programs;

changes in consumer behavior, trends and preferences, including weight loss trends;

consumer perception of health-related issues, including obesity;

consolidation in the retail environment;

changes in purchasing and inventory levels of significant customers;

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- fluctuations in the cost and availability of supply chain resources, including raw materials, packaging and energy;
- disruptions or inefficiencies in the supply chain;
- benefit plan expenses due to changes in plan asset values and discount rates used to determine plan liabilities;
- resolution of uncertain income tax matters;
- foreign economic conditions, including currency rate fluctuations; and
- political unrest in foreign markets and economic uncertainty due to terrorism or war.

We undertake no obligation to publicly revise any forward-looking statements to reflect events or circumstances after the date of those statements or to reflect the occurrence of anticipated or unanticipated events.

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## USE OF PROCEEDS

The net proceeds of this offering, after deducting underwriting commissions and other expenses, are estimated to be approximately $ . We intend to use the net proceeds to repay at maturity our outstanding $1.47 billion aggregate principal amount of 5 1/8% notes due 2007, which mature on February 15, 2007.

## RATIOS OF EARNINGS TO FIXED CHARGES

Our consolidated ratios of earnings to fixed charges for each of the fiscal years ended May 2002 through 2006 and the 26-week periods ended in November 2005 and 2006 are as follows:

| Fiscal Years Ended in May | | | | | 26 Weeks Ended in November | |
|---|---|---|---|---|---|---|
| **2002** | **2003** | **2004** | **2005** | **2006** | **2005** | **2006** |
| 2.45 | 3.26 | 3.74 | 4.61 | 4.54 | 5.13 | 4.91 |

For purposes of computing the ratio of earnings to fixed charges, earnings represent earnings before income taxes and after-tax earnings of joint ventures, distributed income of equity investees, fixed charges and amortization of capitalized interest, net of interest capitalized. Fixed charges represent gross interest expense and subsidiary preferred distributions to minority interest holders, plus one-third (the proportion deemed representative of the interest factor) of rent expense.

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**CAPITALIZATION**

The following table sets forth our capitalization at November 26, 2006 and as adjusted to give effect to the application of the net proceeds from the sale of the notes as described under Use of Proceeds. This table should be read in conjunction with our consolidated financial statements and related notes incorporated by reference in this prospectus supplement and the accompanying prospectus.

| | As of November 26, 2006 | |
|---|---|---|
| | **Actual** | **As Adjusted** |
| | (In millions) | |
| Cash and cash equivalents | $ 492 | $ 492 |
| Short-term debt: | | |
| Notes payable | $2,678 | $2,678 |
| Current portion of long-term debt | 1,739 | |
| Total short-term debt | 4,417 | |
| Long-term debt: | | |
| Notes offered hereby | | |
| Other long-term debt | 2,241 | 2,241 |
| Total long-term debt | 2,241 | |
| Total debt | | |

NOTE 11 - SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid during the nine months ended September 30, 2010 and 2009 for interest was $3,634,089 and $3,895,912, respectively. Interest cost capitalized to Land Development was $235,280 and $199,408 for the nine months ended September 30, 2010 and 2009, respectively.

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The increase in fair value of the interest rate swap agreements amounted to $-0- and $287,267 for the nine months ended September 30, 2010 and 2009, respectively.

During the nine months ended September 30, 2010 and 2009, the Company had dividend reinvestments of $971,224 and $852,665, respectively, which required no cash transfers.

NOTE 12    SUBSEQUENT EVENTS

The Company has evaluated significant events subsequent to the balance sheet date and has determined that there were no subsequent events or transactions which would require recognition or disclosure in the consolidated financial statements, other than noted herein.

On October 29, 2010, the Company entered into a definitive Real Estate Purchase Agreement to acquire 5 manufactured home communities located in Pennsylvania. These 5 all-age family communities total 824 sites situated on 215 acres. The average occupancy for these communities is 86%.  The aggregate consideration to be paid by the Company in this transaction is approximately $25 million. The closing is expected to be completed by the end of the fourth quarter 2010. This acquisition is subject to customary due diligence and therefore there can be no assurance that this acquisition will take place by the end of the fourth quarter 2010 or at all.

**ITEM 2 - MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**Overview**

The following discussion and analysis of the consolidated financial condition and results of operations should be read in conjunction with the Consolidated Financial Statements and notes thereto included elsewhere herein and in our annual report on Form 10-K for the year ended December 31, 2009.

The Company is a real estate investment trust (REIT). The Company s primary business is the ownership and operation of manufactured home communities leasing manufactured home spaces on a month-to-month basis to private manufactured home owners. The Company also leases homes to residents and, through its taxable REIT subsidiary, UMH Sales and Finance, Inc. (S&F), sells and finances homes to residents and prospective residents of our communities. During the nine months ended September 30, 2010, we have purchased two manufactured home communities located in Pennsylvania for a total purchase price of $13,200,000. This acquisition added 407 sites to our portfolio. The Company now owns thirty communities containing approximately 7,200 sites. These communities are located in New Jersey, New York, Ohio, Pennsylvania and Tennessee. The Company also invests in debt and equity securities of other REITs.

On October 29, 2010, the Company entered into a definitive Real Estate Purchase Agreement to acquire 5 manufactured home communities located in Pennsylvania. These 5 all-age family communities total 824 sites situated on 215 acres. The average occupancy for these communities is 86%. The aggregate consideration to be paid by the Company in this transaction is approximately $25 million.

The Company s income primarily consists of rental and related income from the operation of its manufactured home communities. Income also includes sales of manufactured homes. Total income remained relatively stable. However, sales of manufactured homes have continued to be disappointing due to weaknesses in the overall economy. While housing markets are beginning to stabilize, our customers still face difficulties in selling their existing homes. This coupled with continued high unemployment rates, has negatively impacted our sales and our gross profit percentage.

Economic growth in the US economy has moderated and high unemployment rates have persisted. However, activity in our communities has recently increased as conventional home ownership rates continue to fall. We are seeing increased demand for rental units and have added approximately 120 rental units to selected communities.

The Company also holds a portfolio of securities of other REITs with a fair value of $36,575,368 at September 30, 2010. The Company invests in these securities on margin from time to time when the Company can achieve an adequate yield spread. The REIT securities portfolio provides the Company with liquidity and additional income and serves as a proxy for real property investments. At September 30, 2010, the Company s portfolio consisted of 69%

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common stocks, 17% preferred stocks and 14% debentures. The Company s weighted-average yield on the securities portfolio was approximately 7% at September 30, 2010.

Gain (loss) on securities transactions, net amounted to a gain of $610,458 and $2,294,542 for the quarter and nine months ended September 30, 2010, respectively, as compared to $297,746 and ($2,152,319) for the quarter and nine months ended September 30, 2009. For the nine months ended September 30, 2009, the Company recognized non-cash impairment charges of $1,893,314 relating to securities which were considered other than temporarily impaired. The market for REIT securities has dramatically improved and the Company has unrealized gains of $5,240,399 in its REIT securities portfolio as of September 30, 2010. It is our intent to hold these securities long-term.

Total expenses increased by approximately 4% and 6% for the quarter and nine months, respectively, ended September 30, 2010 as compared to the quarter and nine months ended September 30, 2009. This was primarily due to increases in community operating expenses, selling expenses, depreciation and professional and other acquisition costs.

Net income decreased from $1,340,030 for the quarter ended September 30, 2009 to $1,197,304 for the quarter ended September 30, 2010. Net income increased from $1,419,756 for the nine months ended September 30, 2009 to $4,554,940 for the nine months ended September 30, 2010.

In spite of challenges in the broad economy, the Company continues to strengthen its balance sheet. We have extended our line of credit through September 30, 2011. We have extended our one mortgage loan which expired in 2010 through July 1, 2012. At September 30, 2010, the Company had approximately $2 million in cash, $37 million in securities encumbered by $12 million in margin and term loans, and $5 million available on its line of credit. We have been positioning ourselves for future growth and will continue to seek opportunistic investments. However, there is no guarantee that any of these opportunities will materialize or that the Company will be able to take advantage of such opportunities.

The Company believes that funds generated from operations and the DRIP, the funds available on the line of credit, together with the ability to finance and refinance its properties will provide sufficient funds to adequately meet its obligations over the next year.

See PART I, Item 1 Business in the Company s 2009 annual report on Form 10-K for a more complete discussion of the economic and industry-wide factors relevant to the Company and the opportunities and challenges, and risks on which the Company is focused.

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**Changes In Results Of Operations**

Rental and related income increased 7% from $6,620,558 for the quarter ended September 30, 2009 to $7,087,977 for the quarter ended September 30, 2010. Rental and related income increased 4% from $19,801,587 for the nine months ended September 30, 2009 to $20,563,458 for the nine months ended September 30, 2010. This was primarily due to rental increases to residents and the acquisition of two communities, Sunny Acres, a 207-space community in Somerset, PA and Suburban Estates, a 200-space community in Greensburg, PA. This was partially offset by a decrease in occupancy of 70 sites in one of our communities in Memphis, TN due to a severe flood that swept the region. The Company has been raising rental rates by approximately 3% to 6% annually. Occupancy decreased from approximately 79% at September 30, 2009 to approximately 78% at December 31, 2009 and has remained steady to September 30, 2010. The Company has faced many challenges in filling vacant homesites due to the current economic environment.

Sales of manufactured homes amounted to $1,382,362 and $1,843,341 for the quarters ended September 30, 2010 and 2009, respectively, a decrease of 25%. Sales of manufactured homes amounted to $3,930,793 and $4,423,259 for the nine months ended September 30, 2010 and 2009, respectively, a decrease of 11%. Cost of sales of manufactured homes amounted to $1,280,009 and $1,729,002 for the quarters ended September 30, 2010 and 2009, respectively. Cost of sales of manufactured homes amounted to $3,711,988 and $4,157,777 for the nine months ended September 30, 2010 and 2009, respectively. Selling expenses amounted to $413,906 and $293,762 for the quarters ended September 30, 2010 and 2009, respectively. Selling expenses amounted to $1,210,136 and $910,021 for the nine months ended September 30, 2010 and 2009, respectively. Loss from the sales operations (defined as sales of manufactured homes less cost of sales of manufactured homes less selling expenses) amounted to $311,553, or 23% of total sales, for the quarter ended September 30, 2010 as compared to $179,423, or 10% of total sales, for the quarter ended September 30, 2009. Loss from sales operations amounted to $991,331, or 25% of total sales, for the nine months ended September 30, 2010 as compared to $644,539, or 15% of total sales, for the nine months ended September 30, 2009. The Company believes that sales of new homes produces new rental revenue and is an investment in the upgrading of the communities.

Community operating expenses increased 15% from $3,450,419 for the quarter ended September 30, 2009 to $3,954,578 for the quarter ended September 30, 2010. Community operating expenses increased 12% from $9,893,731 for the nine months ended September 30, 2009 to $11,039,189 for the nine months ended September 30, 2010. This was primarily due to an increase in repairs and maintenance due to the severe winter and spring, the acquisition of two communities and an increase in personnel. Additionally, we incurred approximately $130,000 of flood-related costs (cleanup costs, legal fees, public relations, etc.) for the nine months ended September 30, 2010. General and administrative expenses decreased 8% from $867,258 for the quarter ended September 30, 2009 to $800,086 for the quarter ended September 30, 2010, primarily due to a decrease in public relations and reporting and publication costs. General and administrative expenses remained relatively stable for the nine months ended September 30, 2010 as compared to the nine months ended September 30, 2009. Acquisition costs relating to the transaction and due diligence costs associated with the acquisition of Sunny Acres and Suburban Estates amounted to $160,058 for the nine months ended September 30, 2010. These

costs would have previously been capitalized. Depreciation expense increased 15% from $1,016,595 for the quarter ended September 30, 2009 to $1,168,920 for the quarter ended September 30, 2010. Depreciation expense increased 6% from $3,068,823 for the nine months ended September 30, 2009 to $3,257,794 for the nine months ended September 30, 2010. This was primarily due to the acquisition of two communities in June 2010. Amortization expense remained relatively stable for the quarter and nine months ended September 30, 2010 as compared to the quarter and nine months ended September 30, 2009.

Interest and dividend income increased 8% from $1,075,735 for the quarter ended September 30, 2009 to $1,165,860 for the quarter ended September 30, 2010. Interest and dividend income increased 5% from $3,309,071 for the nine months ended September 30, 2009 to $3,486,532 for the nine months ended September 30, 2010. This was primarily due to an increase in the average balance of the securities portfolio.

Gain (loss) on securities transactions, net for the three and nine months ended September 30, 2010 and 2009 consisted of the following:

| | Three Months | | Nine months | |
|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 |
| Gain (loss) on sale of securities, net | $610,458 | $297,746 | $2,294,542 | ($259,005) |
| Impairment losses | -0- | -0- | -0- | (1,893,314) |
| Gain (loss) on securities transactions, net | $610,458 | $297,746 | $2,294,542 | ($2,152,319) |

Gain on securities transactions, net amounted to $610,458 for the quarter ended September 30, 2010, as compared to $297,746 for the quarter ended September 30, 2009 and a gain of $2,294,542 for the nine months ended September 30, 2010, as compared to a loss of $2,152,319 for the nine months ended September 30, 2009. During 2009, the Company recognized approximately $1,900,000 in impairment losses due to the writing down of the carrying value of certain securities which were considered other than temporarily impaired. The market for REIT securities has dramatically improved and the Company has unrealized gains of approximately $5,200,000 in its REIT securities portfolio as of September 30, 2010. The dividends received from our securities investments continue to meet our expectations. It is our intent to hold these securities long-term.

Interest expense increased 25% from $1,100,227 for the quarter ended September 30, 2009 to $1,377,702 for the quarter ended September 30, 2010. Interest expense increased 14% from $3,330,521 for the nine months ended September 30, 2009 to $3,809,877 for the nine months ended September 30, 2010. This was primarily due to an increase in mortgages payable due to the new mortgage for the acquisitions of the two communities, and the change in fair value of the Company s interest rate swaps. The change in fair value of the Company s interest rate swaps decreased interest expense by $114,523 and $287,267 for the quarter and nine months ended September 30, 2009.

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**Changes in Financial Condition**

Net cash provided by operating activities decreased 72% from $9,111,980 for the nine months ended September 30, 2009 to $2,584,226 for the nine months ended September 30, 2010. This was primarily due to an increase in inventory of $3,440,690 for the nine months ended September 30, 2010 as compared to a decrease of $1,734,025 for the nine months ended September 30, 2009. Additionally there was an increase in notes and other receivables of $588,916 for the nine months ended September 30, 2010 as compared to a decrease of $735,717 for the nine months ended September 30, 2009.

Total investment property and equipment increased 13% or $17,696,724 during the nine months ended September 30, 2010. This increase was primarily due to the acquisition of the manufactured home communities in Somerset, PA and Greensburg, PA for a total purchase price of approximately $13,200,000, including notes receivables of approximately $600,000. Additionally, rental homes increased by $3,384,342. The Company added approximately 120 rental units to selected communities.

Securities available for sale increased 15% or $4,751,091 during the nine months ended September 30, 2010. This increase was due primarily to an increase in the unrealized gain of $3,026,092 and purchases of $5,746,689, partially offset by the sales of securities with a cost of $4,021,690.

Inventory of manufactured homes increased 43% or $3,440,690 during the nine months ended September 30, 2010. Because conventional home ownership rates continue to decline, the Company is optimistic about future sales and rental prospects.

Mortgages payable increased 9% or $6,018,228 during the nine months ended September 30, 2010. This increase was due to a new $7,478,250 mortgage on the new communities partially offset by principal repayments of $1,460,022.

Loans payable increased 27% or $5,006,920 during the nine months ended September 30, 2010. This increase was primarily due to an increase in the margin loan for the purchase of the new communities.

The Company raised $8,437,751 from the issuance of shares in the DRIP during the nine months ended September 30, 2010, which included dividend reinvestments of $971,224. Dividends paid on the common stock for the nine months ended September 30, 2010 were $6,794,348 of which $971,224 was reinvested. On October 1, 2010, the Company declared a dividend of $.18 per share to be paid on December 15, 2010 to shareholders of record, November 15, 2010.

The Company uses a variety of sources to fund its cash needs in addition to cash generated through operations. The Company may sell marketable securities, borrow on its line of credit, refinance debt, or raise capital through the DRIP or capital markets.

**Liquidity And Capital Resources**

The Company s principal liquidity demands have historically been, and are expected to continue to be, distributions to the Company s stockholders, acquisitions, capital improvements, development and expansions of properties, debt service, purchases of manufactured home inventory, investment in debt and equity securities of other REITs and payments of expenses relating to real estate operations. The Company s ability to generate cash adequate to meet these demands is dependent primarily on income from its real estate investments and securities portfolio, the sale of real estate investments and securities, refinancing of mortgage debt, leveraging of real estate investments, availability of bank borrowings, proceeds from the DRIP, and access to the capital markets.

Current economic indicators show the US economy to be slowly improving. The affordability of our homes and the slow-down in site-built homes should enable the Company to perform well despite the challenging economy. While the recent recession has proven difficult, the manufactured housing industry property type has performed better than other commercial property types.

As of September 30, 2010, the Company had cash and cash equivalents of $2,053,475 and securities available for sale of $36,575,368 subject to margin and bank loans of $11,817,709. These marketable securities provide the Company with additional liquidity. The dividends received from our securities investments continue to meet our expectations. As of September 30, 2010, the Company had total net unrealized gains on its securities portfolio of $5,240,399.

As of September 30, 2010, the Company has a $5,000,000 unsecured line of credit, all of which is available. The Company also has a $10,000,000 revolving line of credit for the financing of home sales, of which $8,100,000 is utilized. Additionally, the Company has a $7,500,000 revolving credit facility to finance inventory purchases, of which $3,754,250 is utilized. The Company owns 30 properties, of which 16 are unencumbered. The Company s securities portfolio, non-mortgaged properties, and lines of credit provide additional liquidity. The Company has been raising capital through its DRIP. The Company believes that funds generated from operations and the DRIP, together with the ability to finance and refinance its properties will provide sufficient funds to adequately meet its obligations over the next several years.

The Company had one mortgage with a balance of approximately $2,400,000, which matured in May 2010. This mortgage has been extended to July 1, 2012.

The Company does not have any off-balance sheet arrangements.

**Funds From Operations**

Funds from Operations (FFO) is defined as net income excluding gains (or losses) from sales of depreciable assets, plus depreciation. FFO should be considered as a supplemental measure of operating performance used by real estate investment trust (REITs). FFO excludes historical cost depreciation as an expense and may facilitate the comparison of REITs which have different cost basis. The items excluded from FFO are significant components in understanding and assessing the Company s financial performance. FFO (1) does not represent cash flow from operations as defined by generally accepted accounting principles; (2) should not be considered as an alternative to net income as a measure of operating performance or to cash flows from operating, investing and financing activities; and (3) is not an alternative to cash flow as a measure of liquidity. FFO, as calculated by the Company, may not be comparable to similarly entitled measures reported by other REITs.

The Company s FFO for the three and nine months ended September 30, 2010 and 2009 is calculated as follows:

| | Three Months | | Nine months | |
|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 |
| Net Income | $1,197,304 | $1,340,030 | $4,554,940 | $1,419,756 |
| Loss (Gain) on Sales of | | (33) | | |
| Depreciable Assets | 6,044 | | (151) | 21,947 |
| Depreciation Expense | 1,168,920 | 1,016,595 | 3,257,794 | 3,068,823 |
| FFO | $2,372,268 | $2,356,592 | $7,812,583 | $4,510,526 |

The following are the cash flows provided (used) by operating, investing and financing activities for the nine months ended September 30, 2010 and 2009:

| | 2010 | 2009 |
|---|---|---|
| Operating Activities | $2,584,226 | $9,111,980 |
| Investing Activities | (17,546,313) | (7,408,895) |
| Financing Activities | 12,495,777 | (1,433,191) |

**<u>Safe Harbor Statement</u>**

Statements contained in this Form 10-K, including the documents that are incorporated by reference, that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act ), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange

Act ). Also, when we use any of the words anticipate, assume, believe, estimate, expect, intends, plans, may, or similar expressions, we are making forward-looking statements. These forward-looking statements are not guaranteed and are based on our current intentions and on our current expectations and assumptions. These statements, intentions, expectations and assumptions involve risks and uncertainties, some of which are beyond our control, which could cause actual results or events to differ materially from those we anticipate or project. Such risks and uncertainties include, but are not limited to, the following:

- changes in the real estate market and general economic conditions;

- the inherent risks associated with owning real estate, including local real estate market conditions, governing laws and regulations affecting manufactured housing

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communities and illiquidity of real estate investments;

•

increased competition in the geographic areas in which we own and operate manufactured housing communities;

•

our ability to continue to identify, negotiate and acquire manufactured housing communities and/or vacant land which may be developed into manufactured housing communities on terms favorable to us;

•

our ability to maintain rental rates and occupancy levels;

•

changes in market rates of interest;

•

our ability to repay debt financing obligations;

•

our ability to refinance amounts outstanding under our credit facilities at maturity on terms favorable to us;

•

our ability to comply with certain debt covenants;

•

the availability of other debt and equity financing alternatives;

•

continued ability to access the debt or equity markets;

•

the loss of any member of our management team;

•

our ability to maintain internal controls and processes to ensure all transactions are accounted for properly, all relevant disclosures and filings are timely made in accordance with all rules and regulations, and any potential fraud or embezzlement is thwarted or detected;

- our ability to qualify as a real estate investment trust for federal income tax purposes;

- the ability of manufactured home buyers to obtain financing;

- the level of repossessions by manufactured home lenders;

- changes in federal or state tax rules or regulations that could have adverse tax consequences;

- our ability to qualify as a real estate investment trust for federal income tax purposes; and

- those risks and uncertainties referenced under the heading "Risk Factors" contained in contained in the Company s Form 10-K and other filings with the Securities and Exchange Commission..

You should not place undue reliance on these forward-looking statements, as events described or implied in such statements may not occur. The forward-looking statements contained in this Form 10-Q speak only as of the date hereof and the Company expressly disclaims any obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events, or otherwise.

**ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

There have been no material changes to information required regarding quantitative and qualitative disclosures about market risk from the end of the preceding year to the date of this Quarterly Report on Form 10-Q.

## ITEM 4 - CONTROLS AND PROCEDURES

**Disclosure Controls and Procedures**

We have evaluated the design and operations of our disclosure controls and procedures to determine whether they are effective in ensuring that the disclosure of required information is timely made in accordance with the Securities Exchange Act of 1934 ("Exchange Act") and the rules and forms of the Securities and Exchange Commission. This evaluation was made under the supervision and with the participation of management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as of the end of the period covered by this report on Form 10-Q. The CEO and CFO have concluded, based on their review, that our disclosure controls and procedures, as defined in Exchange Act Rules 13a-15(e) and 15d-15(e), are effective to ensure that information required to be disclosed in reports that we file under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and (ii) accumulated and communicated to management, including the principal executive and principal financial officers, as appropriate, to allow timely decisions regarding disclosure.

**Changes in Internal Control Over Financial Reporting**

There were no changes in our internal control over financial reporting during the third quarter of 2010 that materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

We believe that because of its inherent limitations, internal control over financial reporting may not always prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**PART II**

**OTHER INFORMATION**

Item 1 - Legal Proceedings none

Item 1A - Risk Factors

There have been no material changes to information required regarding risk factors from the end of the preceding year to the date of this Quarterly Report on Form 10-Q. In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, Item 1A Risk Factors in the Company s Annual Report on Form 10-K for the year ended December 31, 2009, which could materially affect the Company s business, financial condition or future results. The risks described in the Company s Annual Report on Form 10-K are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial also may materially adversely affect the Company s business, financial condition and/or operating results.

Item 2 - Unregistered Sale of Equity Securities and Use of Proceeds none

Item 3 - Defaults Upon Senior Securities none

Item 4 - Removed and Reserved

Item 5 - Other Information

(a) Information Required to be Disclosed in a Report on Form 8-K, but

not Reported none

(b) Material Changes to the Procedures by which Security Holders May

Recommend Nominees to the Board of Directors none

Item 6 - Exhibits

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Employment Agreement with Ms. Allison Nagelberg effective January 1, 2010 (incorporated by reference to the 8-K as filed by the Registrant with the Securities and Exchange Commission on January 6, 2010, Registration No. 001-12690).

31.1

Certification of Samuel A. Landy, President and Chief Executive Officer of the Company, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended (Filed herewith).

31.2

Certification of Anna T. Chew, Vice President and Chief Financial Officer of the Company, pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended (Filed herewith).

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Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, signed by Samuel A. Landy, President and Chief Executive Officer, and Anna T. Chew, Vice President and Chief Financial Officer (Furnished herewith).

**SIGNATURES**

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UMH PROPERTIES, INC.

DATE:

November 5, 2010

By /s/ Samuel A. Landy

Samuel A. Landy

President and

Chief Executive Officer

DATE:

November 5, 2010

By /s/ Anna T. Chew

Anna T. Chew

Vice President and

Chief Financial Officer

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