



FOR IMMEDIATE RELEASE

North American Lumber Industry Looking Solid Again

Demand expected to drive further recovery over the next two years

FRESNO, CA (April 10, 2014) – Housing demand in the United States was a key reason for the lumber market crash in 2009. As U.S. housing, and more importantly housing starts, continue to recover, the North American softwood lumber industry is expected to see both demand and price increases. This is according to a new report from the Rabobank Food & Agribusiness Research and Advisory (FAR) group, titled “North American Softwood Lumber: Industry Outlook Solid, But Not Out of The Woods Yet.” As indicated in the title, the bank’s current outlook is very optimistic but notes a number of potential challenges.

“U.S. lumber production and imports are constrained at the moment,” noted Rabobank analyst James De Jong, the report’s author. “This limited supply, in addition to overall economic recovery, is the reason we expect to see softwood lumber prices increase 10 to 15 percent over the next two years.”

The report goes on to outline the biggest challenges for the industry.

“The biggest challenges we see are the headwinds in the Chinese economy and the U.S. housing market transition,” notes De Jong. “The housing market in particular is still in a significant transition. The adjustment from an investor-led recovery to one driven by ‘real’ homebuyers will create bumps in the road but our expectation is that this will affect, but not derail, the lumber recovery. ”

The full report is available exclusively to clients of Rabobank and to media upon request.

Please direct FAR Report Requests/Media Inquiries to:

Jessup Wiley
Rabobank, N.A.
Jessup.Wiley@rabobank.com

About Rabobank, N.A.

Rabobank, N.A. is a California community bank and a leading provider of agricultural financing and full-service banking products to California consumers, businesses and the agriculture industry. With nearly 120 retail branches, we serve the needs of communities from Redding to the Imperial Valley through a regional structure that promotes local decision-making and active community involvement by our employees. Rabobank N.A. is a Member FDIC and Equal Housing Lender. www.rabobankamerica.com

About Rabobank

Rabobank Group is a global financial services leader providing wholesale and retail banking, agricultural financing, leasing, real estate services, and renewable energy project financing. Founded over a century ago, Rabobank is one of the largest banks in the world, with nearly \$1 trillion in assets and operations in more than



Rabobank

40 countries, and ranks among the safest banks in the world. A premier bank to the international food and agriculture industry and renewable energy sector, Rabobank has been financing the North American market for more than 30 years. The bank's Food & Agribusiness Research and Advisory team is comprised of more than 80 analysts around the world who provide expert analysis, insight and counsel to Rabobank clients about trends, issues and developments in all sectors of agriculture. www.Rabobank.com

###