

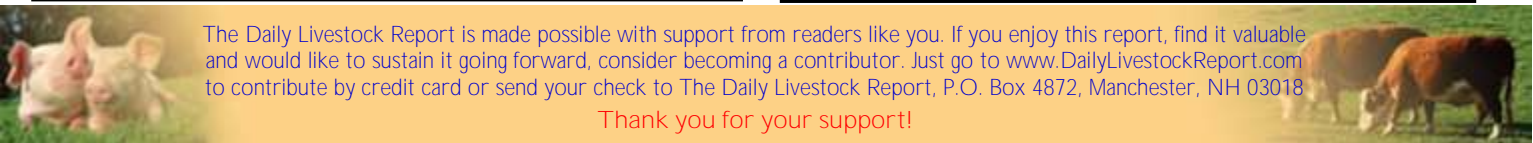
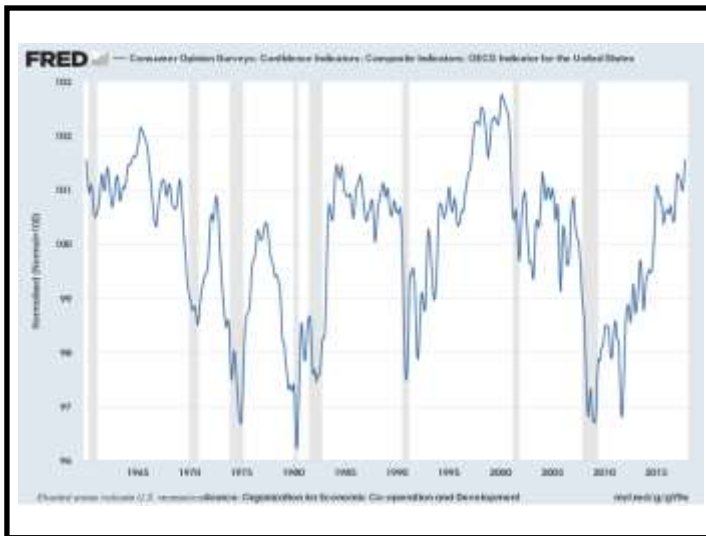
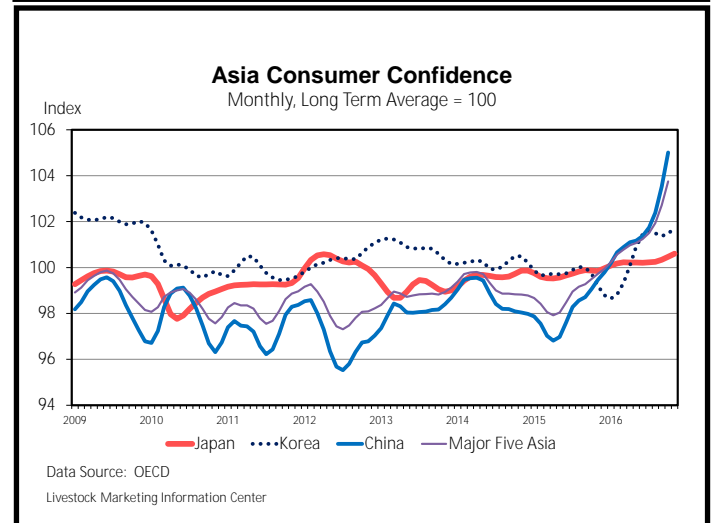
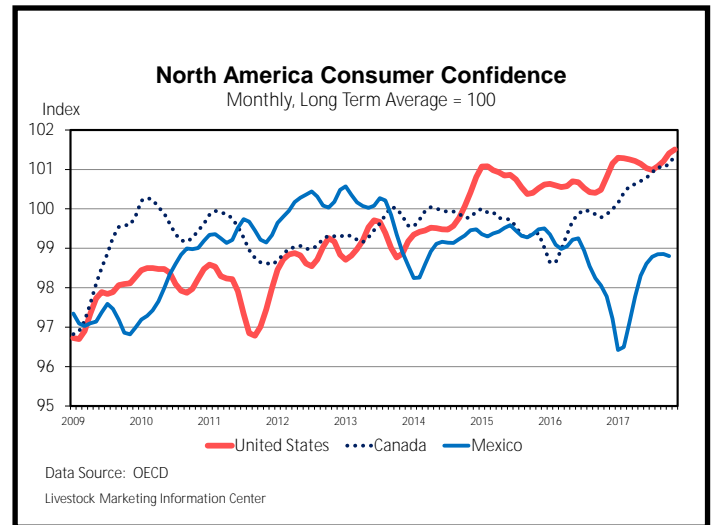
Consumer confidence is closely correlated with economic growth and relatively strong numbers bode well for red meat demand. U.S. consumer confidence has trended higher during the last six years. The U.S. Consumer Confidence Index (CCI), as standardized and indexed by the Organization for Economic Cooperation and Development (OECD), is overlaid with recessions in the first graphic. That graphic is from the St. Louis Federal Reserve Bank database (FRED), the link is [here](#) (data are through October 2017). The OECD November CCI for the U.S. stood at 101.5, which was the highest for any month since December 2000. In February 2009, at the depths of the last recession, the U.S. CCI stood at 96.7.

Simultaneous economic growth and strong consumer confidence was the key to year-over-year increases in U.S red meat exports during 2017. The parts of the world that are important consumers of U.S. beef and pork are North America and Asia. Data in the last two graphics are through November 2017, except for Mexico and China, which have not been published, yet.

The second graphic shows CCI for North America (U.S., Canada, and Mexico). A high level of CCI in the U.S. has been apparent since 2015, after a slight pull-back at mid-year, 2017 ended stronger. Steady gains in Canadian CCI have occurred since 2016, and in recent months that index has run neck-and-neck with the U.S. A precipitous drop in the Mexican CCI began in 2016, that index has rebounded but remains below 99 (100 is the long-term average).

In the third graphic, Asian CCI data are summarized. Overall, Asian consumer confidence surged in 2017, led by China. South Korea also is well above the 100 index level. Japan's CCI has crept above the 100 level. The Major Five Asian country value is a combined index of China, Japan, Indonesia, Japan, and South Korea.

Worldwide consumer confidence in 2018 is likely to remain above 100, including the U.S. The China CCI is expected to be very robust (i.e., well above 100 index value), but maintaining 2017's growth trajectory is not anticipated.



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