

Extended Rotating Warnings On Beverage Alcohol Labels? Perhaps

Source: <https://www.forbes.com/>

Thomas Pellechia

September 3, 2019

The Alcoholic Beverage Labeling Act of 1988 requires that TTB consult with the Surgeon General (SG) on the warning label when ".available scientific information would justify a change in, addition to, or deletion of the statement."

If certain groups have their way today, the U.S. beverage alcohol warning label may soon be graced with this adjunct message: "Government Warning: According to the Surgeon General, consumption of alcoholic beverages can cause cancer, including breast and colon cancers."

The proposed additional warning was included in a letter to the U.S. Department of Treasury's Alcohol and Tobacco Tax and Trade Bureau (TTB). Spearheaded by the Consumer Federation of America (CFA), an association of non-profit consumer organizations established in 1968 with the aim to advance consumer interest through research, advocacy, and education, the letter was a joint effort among CFA, the American Institute for Cancer Research, the American Public Health Association and the U.S. Alcohol Policy Alliance.

Citing success with tobacco rotating warnings, the letter to TTB proposes rotating the new warning with the existing warnings on beverage alcohol labels.

CFA says its research organization "investigates consumer issues, behavior, and attitudes through surveys, focus groups, investigative reports, economic analysis, and policy analysis." The organization spreads its analysis and advocacy among about a dozen American social and economic categories throughout the halls of government, in Congress, at the White House, with federal and state regulatory agencies, state legislatures, and in the courts. In this instance, CFA claims to increase consumers' awareness of what it calls a little-known link between alcohol and cancer.

The advocacy groups would rather Americans stop drinking beverage alcohol altogether, citing a survey by the American Institute for Cancer Research (AICR), to make the point. In its report of the survey, AICR states that it's a good idea to give up beverage alcohol, however, it also states if we choose not to do so, two drinks for men and one for women daily is suggested.

The letter to TTB pointed to an SG report that CFA says links moderate alcohol consumption to cancer. That report largely relies on a study conducted by the National Institute of Health, (NIH) which speaks neither of link nor cause but mainly of risk: "Moderate alcohol consumption is consistently associated with increased risk of breast cancer. Despite a dose-dependent association between alcohol and breast cancer risk, it remains unclear about a threshold level of alcohol consumption above which the increased risk of breast cancer becomes clinically significant." The conclusion of the NIH study also includes this statement: "Moderate alcohol consumption appears to reduce the risk of developing or dying from heart disease, the leading cause of death in the USA."

In a CBS report, CFA's director of food policy, Thomas Gremillion said, 'The industry has succeeded in putting a health halo around alcohol. The government has the responsibility to give consumers the scientific information they need to make informed decisions about alcohol, just as it does with tobacco.'

It's no surprise that the beverage alcohol industry disagrees with the gist of the letter to TTB, and especially with the extra warning.

On its website, the American Beverage Institute (ABI) states, "While there is a long-standing consensus that moderate alcohol consumption can lower the risk of mortality, type 2 diabetes, rheumatoid arthritis, and cardiovascular diseases, efforts to demonize all manners of alcohol consumption have endeavored to dim this "health halo." Evidence supports the notion that moderate consumption can be part of a healthy lifestyle."

Jackson Shedelbower, American Beverage Institute's communications director says, "The movement to label alcohol as the new tobacco is growing. And if efforts to tie moderate drinking to broad health problems are successful, applying tobacco-style regulations to alcohol products is not far behind...Their path is to substantially lower the bar on product warnings so that the product, as opposed to the misuse, becomes the triggering issue for warnings."

Recent activity such as the letter to TTB about warning labels and cancer appear to be part of a World Health Organization's (WHO) coordinated global effort to reduce beverage alcohol consumption considerably if not completely. WHO and others have used tobacco as a guide to meet their goal, and it may be working.

According to an alcohol-related study funded by the National Institute on Alcohol Abuse and Alcoholism and reported in the Journal of Studies on Alcohol and Drugs a survey of 8,750 adults interviewed in 2015 provided an estimate of 53 million people in the U.S. annually (1 in 5) being harmed by someone else's drinking. The report claims "second-hand drinking" is a national public health issue that causes major problems including threats, harassment, marital and financial, property damage through vandalism and driving-related accidents. In addition to the cancer warning, it's not a stretch to imagine another rotating label warning about second-hand drinking.

Says Shedelbower, "All studies exploring human health should be taken seriously and abusing alcohol can have major health repercussions. But it's clear when examining the comprehensive body of science that panic over one daily drink is misplaced."

Meanwhile, the journal Gastroenterology published the results of a study from the Department of Twin Research & Genetic Epidemiology at King's in the United Kingdom (UK), which shows moderate red wine consumption is associated with greater diversity of healthy gut microbes.

An imbalance in bacterial species may lead to reduced immune system, weight gain or high cholesterol; a higher number of different bacterial species is considered a marker of gut health. The study's authors believe the benefit is derived from polyphenols in red wine, the same stuff many studies claim maintains a healthy cardiac system. But you won't find that information on a wine label.

Unlike climate science, the U.S. federal government accepts negative effect alcohol science: TTB allows health warning labels on wine bottles but does not allow health benefit labels.

Shedelbower believes, "It's unfortunate...there is no good news lobby for science-based consumer information."

Diageo faces wave of strikes in Scotland over pay

Source: <https://www.bbc.com/>

September 3, 2019

Spirits giant Diageo is facing major disruption to its Scottish operations after unions announced a series of strikes in a dispute over pay.

GMB Scotland said a "rolling programme of action" would run from 17 to 27 September, hitting all Diageo bottling, maturation and distillery plants.

Unite has also announced strike action dates at the company's Leven, Cameron Bridge and Shieldhall sites.

Diageo said it remained committed to seeking a resolution to the dispute.

The move by the unions follows the breakdown of talks over pay at arbitration service Acas on Friday.

Both unions said their members had rejected a 2.8% "final offer" for staff in Scotland.

Between them, Unite and GMB Scotland members account for nearly half of Diageo's total workforce of 3,000 in Scotland.

The unions said their positions should be seen in the context of Diageo - whose brands include Smirnoff, Johnnie Walker, Tanqueray and Gordon's gin - recently announcing annual pre-tax profits of £4.2bn.

Staff frustrations come at a time when Diageo is ploughing large funds into a flagship Johnnie Walker visitor attraction in Edinburgh, as part of a £150m investment in Scottish whisky tourism.

The spirits group has seen its share price rise by more than 20% since the start of the year on the back of strong gin and whisky sales.

GMB Scotland organiser Keir Greenaway said: "Strike action across Diageo's Scottish operations is a consequence of the insatiable corporate greed within the hierarchy of this company.

"Our campaign for a pay deal that beats the cost of living for our members and their families is a modest proposal against the backdrop of Diageo's absolutely staggering financial results, which workers in Scotland have more than helped to deliver.

"Diageo must get real on pay or they will be hit with a sustained wave of strike action affecting many of their most profitable brands."

'Minimal effort'

Unite claimed that Diageo had "made minimal effort" to resolve the dispute through negotiations.

Regional industrial officer Bob MacGregor added: "Unite warned weeks ago that unless Diageo made a fair offer then our membership would take strike action. We have now reached that point.

"The door always remains open to further negotiations but strike action is now imminent."

A Diageo spokesman said: "We are a very good employer and remain committed to seeking a resolution and ensuring our employees receive an increase on their pay, alongside maintaining the competitiveness of our operations.

"We have well developed contingency plans in the event of industrial action."

The maker of Malibu rum and Absolut vodka has warned of a 'particularly uncertain' outlook due to the trade war and Brexit

Source: <https://markets.businessinsider.com/>

Theron Mohamed

Sep. 3, 2019

Pernod Ricard has signaled its rising concerns about global trade and Brexit with a single word.

The maker of Malibu rum and Absolut vodka warned of a "particularly uncertain environment" in its full-year outlook, after flagging a merely "uncertain" backdrop three months earlier.

"The level of uncertainty has notched up just a little bit," CEO Alexandre Ricard said.

Pernod Ricard has signaled its rising concerns about global trade and Brexit with a single word: "Particularly."

The maker of Malibu rum, Absolut vodka, and Beefeater gin warned of a "particularly uncertain" backdrop in its full-year earnings report, after highlighting a merely "uncertain" business environment in its third-quarter results.

"Why did we add the word particularly?" CEO Alexandre Ricard asked on the group's latest earnings call. "What that word basically suggests is that the degree of uncertainty we all are facing has probably notched up a little bit. If you look and read newspapers this year, from this summer, next to the swimming pool, you'll see that the tonality has somewhat worsened a little bit versus the previous years."

The alcoholic beverage group faces several risks to its business. The yearlong trade dispute between the US and China shows few signs of ending, the Trump administration continues to threaten tariffs on European goods, and the UK remains at risk of dropping out of the European Union without a deal to maintain ties to the continent.

"Uncertainty in a way is the new norm," Ricard said. "We don't know how well the tariff war will end between China and the US. We don't know whether there will be any tariffs on European spirits in the US," he continued. "There may be a hard Brexit a few weeks from now."

Pernot Ricard's sales surged by about 20% in both China and India in the twelve months to June 30, driving its total organic revenue up 6% to 9.2 billion euros (\$10 billion). The upshot was a 9% rise in organic profit from recurring operations to 2.6 billion euros (\$2.8 billion).

Given the increased uncertainty, the group guided towards organic growth in profit from recurring operations of 5% to 7% this financial year, down from its 8% target three months earlier.

Johnson Bros. Voluntarily Forfeits License in MA Amidst ABCC Investigation

Source: Wine & Spirits Daily

September 3, 2019

Minnesota-based Johnson Brothers has voluntarily forfeited its wholesale license in Massachusetts following a recent investigation into the company's operations in the state by the Massachusetts Alcoholic Beverages Control Commission (ABCC).

HOW WE GOT HERE. Johnson Bros. began operating in Massachusetts in 2012. Last summer, the ABCC began investigating the company's operations in the state and "developed information indicating that [Johnson Bros. of Massachusetts, JBM] is not conducting business as authorized by its" wholesale license in "various dates in 2018," according to the ABCC investigative report.

According to the report, JBM's violations include:

- . conducting business operations out of the company headquarters in Minnesota, effectively transferring its license;
- . purchasing directly from United States Distilled Products Company, which is owned by brother Bradley Johnson (a cross-ownership issue);
- . and bypassing the ABCC rule that requires all alcohol shipped into the state shall be warehoused at the warehouse facilities of the licensee and held in his physical possession at such warehouse prior to reshipment, i.e. an at-rest rule.

JBM "in large part does not dispute the facts" in the investigative report. However, the company sought to straighten out a few things in a hearing memorandum submitted by Johnson Bros.'

attorneys. For instance, Bradley's "business interests operate purely at arm's length with those of Michael and Todd" Johnson, the brothers who run the wholesale company.

They also claim that JBM "did not transfer its license even though any administrative and managerial operations of JBM were handled out of the [Johnson Bros.] headquarters in Minnesota, or in Massachusetts by other licensed entities, since involvement in the administrative operations of a company does not equate to a transfer of a license held by that company."

Moreover, the wholesaler "relinquished or 'turned in' its Wholesalers and Importers License and ceased all licensed operations in the Commonwealth" on July 2, 2019.

"In essence, JBM functionally and voluntarily forfeited its own license. The Commission need not issue an Order to achieve what has already happened," per the memo.

They conclude: JBM "respectfully requests that, in light of its voluntary relinquishment of its license and for the other reasons set forth herein, the Commission decline to Order any further action be taken in this matter."

Johnson Bros. did not respond to a request for comment by press time.

The decision is currently pending with the ABCC.

Americas Consumer Staples: Bi-weekly Nielsen data shows broadly stable beverage trends through late-August

Source: Goldman Sachs

3 September 2019

We received bi-weekly Nielsen data for the 4-weeks ended 8/24. Category-level sales growth for soft drinks and beer slowed to +2.3%/+1%, respectively, vs +3.8%/+1.9% in the 4-week period ending 7/27.

FMBs/Cider sales growth continued to accelerate, now growing +42% from +36.4% in the 4-week period ending 7/27.

Energy drink category sales grew +8.3%. MNST (Neutral) total company sales grew +5.2% (in line with the prior period) despite Reign's expansion into Walmart, with Reign contributing ~750bps to energy drink sales, implying sales ex-Reign were down -1.7%.

Within the beer category, SAM (Sell) saw a slight deceleration, albeit still strong growth, in sales (+28.7% in the latest 4-weeks), driven by +173% sales growth for Truly. TAP (Neutral) total company sales turned back to declines in the latest 4-week data (-0.7%), and STZ (Buy) rolling 4-week beer sales decelerated to +11.3%. MO (Not Rated) cigarette volumes declined -8.5% in the latest 4-weeks, slightly underperforming the cigarette category volume decline of -7.3%. See inside for more details.

Key Company Trends

Monster Beverage Corp (MNST, Neutral) - MNST total company sales growth of +5.2% in the latest rolling 4 weeks was in line with the prior period. Monster Energy sales grew +5.8%, with Reign contributing ~750bps of growth, implying sales ex-Reign were down -1.7%. Price/mix for MNST Energy has continued to slow, now growing to +4.8% vs roughly +8% at the start of the year. Reign ACV nearly doubled since 7/27/19, reaching 74.9% as the brand has expanded into Walmart. While Bang Energy continues to grow sales in the triple-digits (+258% in the latest 4-weeks), sales share of 7.7% is down from ~8%.

Constellation Brands (STZ, Buy) - STZ rolling 4-week beer sales grew +11.3%, a broadly stable trend, which should support solid depletion growth in 2QFY20 on a shipping-day adjusted basis. STZ spirits sales slowed to +1.5% vs +3.9% in the 4-week period ending 7/27, while wine slowed to -3.4% vs -2% in the 4-week period ending 7/27.

Boston Beer (SAM, Sell) - Total company volume decelerated to +30.1% for the latest 4 weeks (vs 31.1% in the 4 weeks ending 7/27), with Truly Hard Seltzer still the chief growth driver of the portfolio. Truly sales and volume growth remained flat sequentially after accelerating since the start of July, now growing +173% and +172%, respectively. Twisted Tea sales and volume both slowed since 7/27, with volume growth of +5.8% (vs +9.6% prior).

Altria Group (MO, Not Rated) - Total cigarette category sales were down -2.7% for the most recent 4-week period vs -2.3% in the 4-week period ending 7/27. MO cigarette sales declined to -3.1% in the most recent 4-week period vs -2.5% in the 4-week period ending 7/27. In e-vapor, category sales growth slowed to +47.5% in the latest 4 weeks (vs +52.8% in the 4-week period ending 7/27), largely driven by JUUL's deceleration to +42.1% vs +56.3% prior.

Boston Beer gets a downgrade on 'competitive risk in hard seltzers'

Source: <https://www.marketwatch.com/>

EMILY BARY

Sept 3, 2019

Jefferies analyst Kevin Grundy downgraded Boston Beer Co. Inc. SAM, -6.23% shares to underperform from hold on Tuesday, citing "competitive risk in hard seltzers.

" While Grundy expects the hard-seltzer category to double again by the end of 2021, he cites a recent Jefferies consumer survey indicating that there is low brand loyalty and strong interest in trying new brands within the hard-seltzer industry. "Recently announced entrants have experienced a significant ~6x/< ~40x the number of social-media interactions on Instagram/Twitter as incumbent brands, with most of the former also enjoying a greater number of total followers," he wrote.

On Friday, Bank of America Merrill Lynch analyst Fernando Ferreira wrote that while social-media posts about beer were on the decline, posts mentioning hard seltzer were climbing, though only about 3% of those posts mentioned Truly, Boston Beer's brand. Bank of America said that 84% of posts mentioned White Claw, made by Mark Anthony Brands. Boston Beer

shares have risen 39% over the past three months, as the S&P 500 SPX, -0.69% has gained 6.6%.

Honoring John Hardaway

Source: <http://www.austinfuneralservice.com/>

September 3, 2019

John Albert Hardaway passed away on September 2, 2019. He was born on June 18, 1959, in Jeffersonville, Indiana to Joshua Lawrence (Larry) Hardaway and Norma Jean Hardaway.

He graduated in 1977 from Jeffersonville High School during which much of his time was spent on the court or on the field as a very competitive and gifted athlete. On a football scholarship, he attended Texas Lutheran College in Seguin, Texas for a short time, later transferring to the University of Evansville (UE), Indiana where he earned a bachelor's degree in business and finished his college football career. Upon graduation in 1982, John joined Brown-Forman for a long and fruitful 37 year career - earning numerous awards in many different sales and marketing roles. John retired from Brown Forman in July of 2019.

While at UE John met the love of his life, Wendy. They married in October of 1982. John and Wendy were blessed with two beautiful children, Tyler and Anna.

John was gracious and generous with his time and energy. He was a passionate mentor in his professional, personal and family life. This may have been best demonstrated by volunteering as a track & field coach at Ravenwood High School for almost 20 years. He took great pride in coaching/mentoring young student-athletes where many of his "jumpers" went on to successful and rewarding college careers. John also served as President of Songs for Sound, a cochlear implant awareness charity that worked tirelessly to improve the quality of life for the profoundly hearing impaired. John enjoyed being outdoors while gardening, hunting, fishing for Specks with the Coastals, tossing corn-hole on the beach or simply enjoying his favorite bourbon with his closest friends.

He will be remembered as a kind and gentle person of keen intellect, quick wit and loved to pull a good practical joke. A man committed to helping others, especially younger people.

There will be a time of visitation at the Fifty Forward Martin Center, 960 Heritage Way in Brentwood on Friday, September 6 from 4:00-7:00 p.m. A Memorial Service will be held on Saturday September 7 at 5:00 p.m. with visitation 1 hour prior to the service.

Memorial contributions may be made to Songs for Sound - John Hardaway Fund, 8161 Hwy 100, Suite 225, Nashville, Tennessee 37221.

To leave a note for John's family or share a memory, please sign the online guestbook.

<http://www.austinfuneralservice.com/deceased/john-hardaway>

Weed Weekly (Issue 26): Summarising Cannabis News Over the Past Week

Source: Jefferies

Ryan Tomkins

September 3, 2019

Key Takeaway

In a sector rife with daily news flow, we aim to summarise key events at the end of each week and to provide some thoughts on the implications. Today, we summarise 14 stories from the past week. Of particular interest are stories related to Tilray taking full ownership of retail operations, Canadian cannabis sales continuing to rise, and the Netherlands beginning city cannabis trials.

Insights

Keeping on top of news flow is important: In such a young industry, things change rapidly. As such, there's an abundance of news flow on a daily basis. With this in mind, we believe it is helpful to provide an update that summarises key events at the end of each week. We highlight a few headlines below, with a more detailed overview of recent updates in the main report.

Tilray Acquire Canadian Retail Operations: Tilray on Friday announced a C\$110m all-stock deal to take full ownership of Canadian retailer FOUR20, who have six stores in Alberta currently. While we highlight here a number of advantages of controlling your own retail footprint, which can be significant for brand equity and consumer experience, the investments needed are unlikely to soothe any market concerns around near-term profitability. Please see here for our full note on this.

Canadian sales continue to rise: Health Canada last weekend released its monthly retail sales statistics for the month of June. Of particular significance was the continuation of growth on a national scale, with total Canadian sales for the month at C\$91.1m, up from C\$85.6m the month prior. Also of note is the sequential rise in sales for every province apart from Saskatchewan. Continued growth in the larger provinces of Ontario and Quebec is encouraging, though as the red line shows, the latest sales figures on a per capita basis shows Ontario, Quebec and BC (three largest provinces) all lagging behind the rest of the country, even with Ontario's spike. We see this as providing significant headroom for current sales once retail penetration improves, even before the introduction of derivative products.

Netherlands to begin cannabis city trials: Existing cannabis cafes in the Netherlands are to be supplied legally with cannabis from regulated producers as part of a trial aimed at tackling the black market. Under Dutch law, cannabis can be sold over the counter in licensed coffee shops, but it is currently illegal to produce and supply the drug. The cities chosen, and still to be approved, are: Arnhem, Almere, Breda, Groningen, Heerlen, Hellevoetsluis, Maastricht, Nijmegen, Tilburg and Zaanstad. As part of the experiment, cannabis will be cultivated by nationally approved growers. The coffee shops in these towns will be obliged to participate: in other words they will no longer be allowed to procure their produce from growers operating illegally.

RESETTING ON THE CANADIAN CANNABIS LANDSCAPE

September 3, 2019

THE COWEN INSIGHT

Cannabis has been challenging over the last few months, as too few stores, supply shortages and a lack of novel products have hampered category development. While these should all become positive catalysts over the next 12 months, we are taking the opportunity to harmonize our valuations across the group, while remaining constructive on the opportunity to disrupt a C\$6-7 bn illicit market.

Reasons for Optimism

The rollout in Canada hasn't been perfect, but early growing pains in any nascent market are to be expected. We have been encouraged by the steady sequential growth we are seeing in the monthly data, in particular since Ontario brought physical doors online. While still hampered by inadequate retail infrastructure, supply shortages and a lack of novel form factors, we view these all as catalysts, in particular novel form factors which should be commercially available in 1Q20. In the meantime, growth in new category entrants and overall incidence trends keep us constructive on the industry's ability to disrupt the C\$6-7 bn illicit market. As we think about the opportunity that exists for the names under our coverage, most of the challenges in place today have a path to remedy, in addition to the fundamental progression of the category in general. Our seven year view has not changed: we still anticipate a C\$12 bn market by 2025.

Sector Headwinds Have Been Apparent

The first six months of sales were generally muted, largely reflecting the absence of physical retail stores in Ontario (Canada's largest province, accounting for nearly 40% of the population). Brick-and-mortar expansion has been below expectations as provinces have been hesitant to expand with limited supply, which in turn has kept retail pricing high and generated an 80% price gap to the illicit market. In addition, an absence of novel form factors is in part driving consumers to stay in the illicit market. As a result, forward revenue estimates have meaningfully declined across the board, which in turn has driven multiple compression.

Compounding matters has been mounting EBITDA losses, reflecting international investments, concerns of whether another LP will become CannTrust (who is being investigated for Health Canada regulatory violations) as well as cash usage continue to drive sentiment lower.

Refreshing on Valuation

With all the puts and takes in the sector, it is no surprise that cannabis trading multiples have retrenched this year, and are down 43% on a market-cap weighted basis since April 1. With increased supply coming online in 2H19 (as evidenced by meaningful increases in LP 2Q19 harvests/production), additional stores in Alberta/Ontario this fall and novel form factor introduction, we look for a more robust sales cadence in the back half of the year, which we do not believe is fully reflected in the market today. At current levels, we think valuation for the group remains compelling. We note however, that large valuation disparities will largely remain intact reflecting the differences in business models around the current revenue base,

international medical cannabis exposure, global CBD exposure, and / or the presence of a strategic partner / adviser.

We are refreshing our valuations across the board and note the following:

Aurora Cannabis: We are maintaining our Outperform rating and C\$15 price target on ACB, based on EV/FY3E (June 2021) revenues of 16x, and note that our selection of SNDL as our Top Pick in the sector is more of a reflection on SNDL than it is on ACB.

Canopy Growth: We are also maintaining our Outperform rating and C\$48 price target on WEED, based on EV/FY2E (March 2021) revenues of 14.5x, although note that we lowered our price target from C\$82 on August 16.

Tilray: For TLR, while we remain Outperform, we are lowering our target multiple to 17x EV/FY2E (December 2020) revenues, more aligned with the broader group, which lowers our PT from \$150 to \$60.

Cronos: On CRON, we are taking our PT down to C\$17 (previously C\$21), reflecting 27.5x EV/FY2E (December 2020) revenues, and valuation continues keeps us on the sideline, maintain Market Perform.

Greenlane: We are maintaining our Outperform rating on GNLN with a \$21 PT, reflecting a 2.2x EV/FY3E (December 2021, or at 2.8x EV/FY2E) revenue multiple as recent weakness appears unwarranted as multiple potential catalysts are not fully reflected in the stock.

STATE LINES: CANNABIS TRACKER

Source: Cowen

September 3, 2019

THE COWEN INSIGHT

Our Cannabis Tracker is a biweekly rolling update on cannabis legislation in individual states. For an update on federal cannabis legislation, [click here](#) for the latest analysis from Cowen Financial Services Policy Analyst Jaret Seiberg. For more granular tobacco and cannabis industry news, [click here](#) for Cowen's most recent Cigarette & Cannabis Circular.

What's New and Noteworthy (Eric Assaraf - Cowen Washington Research Group)

New Jersey Gov. Phil Murphy (D) vetoed a marijuana expungement bill, while proposing several changes.

The California Assembly approved a bill that would pave the way for medical cannabis access at schools.

North Carolina's House of Representatives cleared a bill to ban smokable hemp flower starting May 1, 2020.

Washington State regulators issued a notice banning CBD as a food ingredient.

Alabama

On June 10, Gov. Kay Ivey (R) signed a substitute medical marijuana bill to further study the issue rather than legalize it. On May 8, a state House committee narrowly defeated a bill to decriminalize small amounts of marijuana. Source: Marijuana Business Daily

Analysis: Gov. Kay Ivey (R) has indicated she would consider signing a medical cannabis bill if it's tightly controlled and limited.

Alaska

Lt. Gov. Kevin Meyer (R) signed new regulations into law on March 12 that will allow Alaska residents to consume cannabis at licensed dispensaries later this year. Source: Marijuana Moment

Arizona

On June 7, Arizona Gov. Doug Ducey (R) signed a bill (SB 1494) that requires product testing for contaminants under its medical marijuana program. Meanwhile, activists and cannabis businesses in the state are seeking to launch a campaign to get marijuana legalization on the ballot in 2020. Source: Phoenix News Times

Arkansas

On April 8, the Arkansas Senate unanimously passed a bill that seeks to limit the appeal of medical marijuana to children by adding restrictions to the manufacture and processing of edibles and regulating marijuana advertising. A House bill (HB 1972) was also introduced on April 1 that would decriminalize small amounts of marijuana. Source: Miami Herald

California

On August 26, the California Assembly approved a bill that would pave the way for medical cannabis access at schools. On June 14, California's Senate Health Committee approved a bill regulating CBD in food products. On May 21 the California Senate approved a bill to create a state-chartered bank to serve the marijuana industry. On May 13, hemp legalization and a number of cannabis bills involving banking, pets, transparency, and statewide delivery cleared the Senate Appropriations Committee. Source: Marijuana Moment

Analysis: California currently follows FDA's stance banning hemp-derived CBD in food and dietary supplements. The legislation would expressly permit the sale of hemp-derived CBD in foods, supplements, and topical applications.

Colorado

On May 29, Gov. Jared Polis (D) signed bills allowing marijuana hospitality establishments and marijuana deliveries from licensed dispensaries. The governor also signed a bill opening the state's cannabis industry to outside investors. Source: Colorado Sun

Connecticut

On June 4, state regulators accepted five new conditions for medical marijuana. On May 8, Connecticut lawmakers sent a bill to the governor's desk allowing hemp cultivation. On May 1, the state Senate Finance Committee approved a bill legalizing recreational marijuana with associated taxes; however, the Senate President has indicated a floor vote will likely be pushed to a special session after June 5. Source: Hartford Courant

Analysis: Gov. Ned Lamont (D) has previously signaled support for marijuana legalization and would likely sign such a bill if it reaches his desk.

Delaware

On Aug. 5, Delaware Gov. John Carney (D) signed a bill extending marijuana decriminalization to juveniles. On June 5, the state's House Revenue & Finance Committee cleared a recreational marijuana bill (HB 110) by an 8-3 vote, advancing it to the full chamber. The legislation would legalize recreational marijuana for adults over 21 with a 15% tax at the point of sale. Source: Marijuana Moment

Analysis: A similar legalization bill failed in the House last year and Gov. Carney has expressed skepticism on such legalization.

District of Columbia

On May 2, D.C. Mayor Muriel Bowser (D) announced she's sending a bill to legalize recreational marijuana sales to the District Council. The plan is contingent upon congressional Democrats removing a rider blocking cannabis reform. Source: Forbes

Florida

On June 26, Florida Gov. Ron DeSantis (R) signed a hemp and CBD regulation bill into law. The state's House Appropriations Committee approved a bill to cap THC levels in medical marijuana at 10% on April 9. On March 18, Gov. DeSantis signed a bill that eliminates the state's ban on smokable medical cannabis. Source: Miami Herald

Georgia

On May 10, Gov. Brian Kemp (R) signed legislation that allows Georgia farmers to begin growing hemp. On April 17, the governor signed a bill into law that allows in-state production and sale of low-potency medical marijuana oil. Source: Atlanta Journal Constitution

Hawaii

On July 8, a bill to decriminalize possession of small amounts of marijuana became law. On May 1, the state Department of Health advised consumers and businesses on the illegality of cannabis-derived products including CBD. However, the effort to legalize recreational marijuana in Hawaii stalled after a legalization bill did not meet a March 1 deadline to be considered by the state Senate. Source: Honolulu Star Advertiser

Analysis: Hawaii's legalization bill made it further than in past sessions, but the effort is now essentially shelved as a ballot initiative is not an option in Hawaii.

Idaho

A bill that would create permits for interstate hemp shipments cleared the Senate on April 9 and the House on April 5. However, a separate bill to legalize industrial hemp appears doubtful as changes in the Senate version has caused some House members to withdraw their support. Source: Associated Press

Analysis: Gov. Brad Little (R) has signaled support for the hemp bills if amendments sought by law enforcement officials are approved.

Illinois

Illinois Gov. J.B. Pritzker (D) signed a bill making medical marijuana permanently legal expanding the list of qualifying conditions. On June 25, Illinois Gov. Pritzker signed a bill making Illinois the 11th state to legalize sale and use of recreational marijuana. Additionally, the state Senate cleared a bill on April 4 that would permit banking services for cannabis. Source: Herald & Review

Analysis: Illinois is the first state to legalize adult-use cannabis sales through legislation rather than a ballot measure.

Indiana

On April 24, the state House cleared a bill (Senate Bill 516) legalizing industrial hemp. The measure now heads to governor's desk where it is expected to be signed into law. Source: Indianapolis Star

Iowa

On May 24, Gov. Kim Reynolds (R) vetoed a bill (House File 732) that would have expanded the state's medical CBD program. On May 13, the governor signed a law enabling industrial hemp production. On April 1, the state Senate cleared a bipartisan bill that would reduce penalties for possession of small amounts of marijuana by a vote of 40-8. Source: The Gazette

Kansas

On May 21, Kansas Gov. Laura Kelly (D) signed a bill allowing low-THC cannabis oil for life-threatening medical conditions. On April 15, the governor signed a bill into law allowing the cultivation of industrial hemp. Source: Pratt Tribune

Kentucky

On March 6, Kentucky's House Judiciary Committee voted 16-1 to advance a bill that would legalize medical cannabis in the state. The bill, which has 43 co-sponsors out of the chamber's 100 total members, would establish a medical cannabis program under a newly named Department for Alcoholic Beverage and Cannabis Control. The bill now advances to the Rules Committee before it is forwarded to the floor for a full House vote. Source: Marijuana Moment

Louisiana

On June 18, Gov. Jon Bel Edwards (D) signed a bill allowing inhalation of medical marijuana. On June 6, the governor signed a hemp legalization bill that places a 3% excise tax on retail sales of industrial hemp and CBD products, in addition to sales taxes. More than a dozen other marijuana-related bills have been filed by Louisiana legislators for this year's session. Among them, House Bill 509 by Rep. John Bagneris (D) would legalize adult-use recreational marijuana. Source: The News-Star

Analysis: Gov. Edwards has not shown support for legalization of recreational marijuana.

Maine

On June 28, Maine Gov. Janet Mills (D) signed a bill creating a framework for legal marijuana sales. On March 26, Gov. Mills signed a bill allowing CBD to be added to food products. As an emergency measure, the law goes into effect immediately. Source: Portland Press Herald

Maryland

Maryland Gov. Larry Hogan signed a bill into law legalizing edible medical-marijuana products on May 13. Source: Washington Post

Massachusetts

On May 16, the state Cannabis Control Commission voted to approve a "social consumption" pilot program in up to a dozen Massachusetts cities and towns. State lawmakers would have to sign legislation for the pilot to move forward. Source: Boston Globe

Michigan

On March 29, Michigan's Bureau of Marijuana Regulation (BMR) and the Michigan Dept. of Agriculture & Rural Development (MDARD) issued joint guidance regarding CBD (cannabidiol) and industrial hemp. The guidance follows FDA's stance banning hemp-derived CBD in food and dietary supplements. Source: Michigan.gov

Minnesota

On March 11, a Minnesota Senate committee rejected proposals to legalize marijuana and create a task force to study the issue. Source: MPR News

Missouri

On May 15, the state House of Representatives gave final approval to an industrial hemp expansion bill, sending it to the governor's desk for signing. On April 17, a bill decriminalizing possession of small amounts of marijuana failed in the Missouri House after it had previously cleared the House Special Committee on Criminal Justice. A separate bill limiting medical marijuana edibles cleared the state Senate on April 23. Source: Associated Press

Montana

On April 15, the state House Appropriations Committee cleared a bill to reform Montana's medical marijuana law. Among the measures is a provision directing excess revenue to a

special account to fund pain management education. Meanwhile, a bill to legalize recreational marijuana use for adults over the age of 18 failed to advance a state House committee on March 28. Source: Associated Press

Nebraska

On May 30, Nebraska Gov. Pete Ricketts (R) signed a bill permitting cultivation of industrial hemp. On May 10, the Nebraska Legislature's Judiciary Committee cleared a medical marijuana bill by a vote of 5-1, advancing it to the full Legislature. Source: Associated Press

Analysis: The Nebraska Legislature and Gov. Pete Ricketts (R) have historically opposed medical marijuana programs, so a ballot initiative may stand a better chance.

Nevada

On June 6, Gov. Steve Sisolak (D) signed a bill creating a pilot program for marijuana banking and disallowing employers from refusing job applicants with failed marijuana tests. On May 1, the Las Vegas City Council voted 4-1 to approve new licenses for marijuana consumption lounges, which must be at least 1,000 feet from casinos, schools, and churches. Source: Daily Mail

New Hampshire

On Aug. 2, New Hampshire Gov. Chris Sununu (R) vetoed a bill to let patients grow their own medical cannabis. Earlier this summer, Sununu vetoed a bill to allow cannabis dispensaries operate as for-profit companies, but signed a bill allowing physician assistants to recommend medical cannabis. On May 30, the state Senate voted to delay action on recreational marijuana until late December or early next year. Source: Associated Press

Analysis: While Gov. Chris Sununu (R) has vowed to veto recreational cannabis legalization, House Speaker Steve Shurtleff (D) feels there is enough support in the House to override a veto.

New Jersey

On Aug. 23, New Jersey Gov. Phil Murphy (D) vetoed a marijuana expungement bill, while proposing several changes. On August 9, Gov. Murphy signed a bill establishing a program for cultivation, handling, processing, transport, and sale of hemp. On July 2, Gov. Murphy signed legislation expanding the state's medical cannabis program. On May 20, an Assembly committee cleared a bill to decriminalize marijuana. On May 15, New Jersey Senate President Steve Sweeney (D) announced that the legislature was unable to work out differences on a recreational marijuana legalization bill, likely moving the issue to the state's 2020 ballot. Source: Marijuana Moment

New Mexico

On April 1, Gov. Michelle Lujan Grisham (D) signed legislation (House Bill 581) that clears a path for legal hemp production. Meanwhile, New Mexico's House of Representatives narrowly passed a recreational marijuana bill (House Bill 356) on March 7 by a margin of 36-34, with

significant modifications. The bill also passed out of the first Senate committee on March 9 but stalled in the Senate Finance Committee. However, a bill to decriminalize marijuana was signed into law. Source: Albuquerque Journal

Analysis: Gov. Michelle Lujan Grisham (D) supported legalization of marijuana during her gubernatorial campaign, though it appears that the measure will likely have to wait until the 2020 legislative session.

New York

On July 29, Gov. Andrew Cuomo (D) signed a bill to further decriminalize marijuana and expunge past convictions. The New York Senate and Assembly previously included Gov. Cuomo's marijuana legalization proposal in their budget bills on March 12; however, the legalization proposal wasn't included in Cuomo's budget on April 1. Source: Forbes

North Carolina

On August 21, the North Carolina's House of Representatives cleared a bill to ban smokable hemp flower starting May 1, 2020. On June 18, the North Carolina Senate passed agricultural legislation containing hemp provisions. On April 17, four state representatives filed a bill (HB 766), which would decriminalize small amounts of marijuana. Another bill filed in March (HB 401) would legalize medical marijuana in the state. Source: High Times

North Dakota

On May 2, Gov. Doug Burgum (R) signed a bill decriminalizing possession of small amounts of marijuana. The governor also signed two bills on April 23 - one removing a requirement that health providers certify that medical marijuana will help a patient and instead certify there is a qualifying condition. Another bill adds a dozen qualifying conditions, including autism, rheumatoid arthritis, anxiety disorder, and migraines. On March 25, North Dakota's Senate joined the House in approving a bill to regulate hemp production. Source: Inforum

Ohio

On July 30, Ohio Gov. Mike DeWine (R) signed a bill that legalizes hemp and CBD in light of the state's prior crackdown on CBD. The Ohio Department of Agriculture will be testing all CBD products for safety and accurate labeling to protect Ohio consumers. Source: Ohio.gov

Oklahoma

On May 15, Gov. Kevin Stitt (R) signed a bill allowing the sale of hemp-derived CBD. On May 7, the governor signed legislation expanding the pool of physicians able to recommend marijuana licenses. Source: The Oklahoman

Oregon

On June 11, the Oregon House cleared a bill that would allow interstate transfer of marijuana, but would require federal action before going into effect. On April 29, the state Senate cleared

a bill to freeze Oregon's marijuana production at current levels for two years. Source: Marijuana Moment

Pennsylvania

On March 18, state Sens. Daylin Leach (D) and Sharif Street (D) introduced a bill (Senate Bill 350) that would allow recreational use of marijuana for adults over the age of 21, possession of six marijuana plants, home delivery of marijuana, and on-site cannabis use businesses. Source: CBS Pittsburgh

Analysis: Gov. Tom Wolf (D) has shown lukewarm support for recreational marijuana, but the bigger obstacle is the Republican state legislature, in which the Senate leader has opposed the effort.

Rhode Island

Rhode Island's Senate Judiciary and Finance Committees and House Finance Committee held hearings on legalization of recreational marijuana during the week of March 18. Source: Providence Journal

Analysis: While Gov. Gina Raimondo (D) included legalizing recreational marijuana in her budget plan, there still appears to be considerable pushback in the legislature.

South Carolina

On March 20, a Senate subcommittee passed the "Compassionate Care Act," which would legalize medical marijuana by a vote of 5-1. The bill, authored by Sen. Tom Davis (R), made it to the House and Senate floor last year, but wasn't debated before the end of the legislative session. On March 28, Gov. Henry McMaster (R) signed a bill into law expanding the state's hemp program. Source: Associated Press

Analysis: While polling in South Carolina shows strong support for medical marijuana, passage of the Compassionate Care Act seems doubtful this year after missing a key deadline on April 10.

South Dakota

On March 13, Gov. Kristi Noem (R), who previously vetoed a hemp legalization bill, expressed openness to revisiting the issue after the USDA issues guidelines in fall 2019. In the meantime, state AG Jason Ravnsborg issued a statement on March 25 that industrial hemp and CBD remain illegal in the state. Source: Capital Journal

Tennessee

On March 27, Tennessee's Criminal Justice Subcommittee reviewed a bill (SB260/HB234) that would allow possession of medical marijuana for valid cardholders in other states. A similar bill (SB256/HB235), seeks to decriminalize marijuana possession of less than one ounce. However, state lawmakers have apparently delayed all medical marijuana bills until 2020. Source: Tennessean

Texas

On June 10, Gov. Greg Abbott (R) signed a bill allowing the production and regulation of industrial hemp and legalizing CBD. On May 24, the Texas House advanced a bill (HB 3703) to the governor's desk expanding the state's medical marijuana program for additional medical conditions. On April 28, the state House approved a bill to decriminalize small amounts of marijuana. Source: Texas Tribune

Analysis: Texas' legislative sessions only occur every other year (last session ended May 27) and the governor hasn't shown much support for expanding medical cannabis in the state, though he is open to decriminalization. Additionally, as the Senate's presiding officer, Lt. Gov. Dan Patrick (R) can single-handedly block any bill from a vote in the chamber.

Vermont

On May 2, the state House cleared a bill to tax and regulate recreational marijuana sales (current law allows low-level possession and home cultivation). The bill next heads to the state's House Ways and Means Committee before heading to the House floor. Vermont's Senate passed a similar bill on Feb. 27. Source: Cannabis Dispensary Magazine

Analysis: The Senate bill passed with a veto-proof majority (23-5), but faces a steeper climb in the House.

Virginia

A bill signed by Gov. Ralph Northam (D) in late March expands Virginia's medical marijuana program by allowing a range of different cannabis products including CBD and enabling nurse practitioners and physician assistants to distribute certifications. The Virginia Board of Pharmacy has given conditional approval for five dispensary-style pharmacies in the state. Source: WTVR

Washington

On Aug. 21, Washington State regulators issued a notice banning CBD as a food ingredient. On April 15, the state Senate passed a bill legalizing industrial hemp. The bill now heads to the desk of Gov. Jay Inslee (D), where it is expected to be signed into law.

West Virginia

On March 26, Gov. Jim Justice (R) signed into law House Bill 2538, which "allows the State Treasurer to select, by competitive bid, one or more financial institutions to provide banking services for the fees, penalties, and taxes collected in association with West Virginia's medical cannabis program." Source: Marijuana Moment

Wisconsin

On May 9, Gov. Tony Evers' (D) budget proposal was rejected by the state Legislature's joint finance committee by a vote of 11-4. The proposed budget would decriminalize possession of

up to 25 grams of marijuana and allow recreational use. It also proposes legalization of marijuana for medical use for a wide range of health conditions. Source: Marijuana Moment

Analysis: Although there is some bipartisan support for Evers' cannabis proposals, Republicans maintain control of both houses of the Wisconsin legislature and hold a 2-to-1 margin in the Assembly.

Latest Brexit Headlines

Source: Multiple

September 4, 2019

<https://www.telegraph.co.uk/politics/2019/09/03/brexit-latest-news-boris-johnson-no-deal-vote-general-election/>

<https://www.dailymail.co.uk/news/article-7424489/Remainers-WIN-No-Deal-Brexit-showdown-against-Boris-Johnson.html>

<https://www.dailymail.co.uk/news/article-7424521/The-21-Remainer-Tory-rebels-voted-against-government-block-No-Deal.html>

<https://www.theguardian.com/politics/2019/sep/03/boris-johnson-suffers-commons-defeat-as-tories-turn-against-him>

<https://www.telegraph.co.uk/business/2019/09/03/corbyn-better-no-deal-brexit-say-investment-banks-anti-capitalist/>

<https://www.independent.co.uk/news/uk/politics/brexit-vote-tonight-result-boris-johnson-rebel-mps-bill-no-deal-a9090901.html>

Wine Supply is Entering Unknown Territory

Source: <https://svbwine.blogspot.com/>

September 3, 2019

Grape Supply Cycles

The wine business runs in cycles when it comes to planting. Trying to guess which grapes are needed and just when they are needed is a trick, especially when it takes 5 years to get a fully mature yield. And it's impossible to predict planting decisions effectively without making some guess on demand.

We have been through excess before, but the cycles aren't always created by the same circumstance and this one is unique.

Shortage with Demand Growth

In the middle 1990s, there was such a strong demand for wine, grape shortages were widespread and grape prices rose rapidly. In our bank's client base, it was common for wineries to run out of bottled wine, well before the next vintage could be bottled.

Mondavi started to import Chilean bulk wine for the first time in large volumes to help fill demand. I remember one client from the era, now gone who told me, "I only sell wine to people I like. If I don't like them, they don't get my wine." That was a unique time and those circumstances haven't been seen since.

In response, during that same period planting exploded. At a point, I became concerned about the speed at which sticks were going in the ground, so I researched, developed and published the nearby chart.

We were, in my estimation, close to having supply balance at a macro perspective by 1998, and didn't need to plant anymore. But we still kept planting because there weren't enough grapes.

There wasn't great analytic science behind the development of the model. I didn't have perfect shipment information, especially since I was trying to convert shipments backward into tons. I had to make some educated guesses and make some estimates especially on restaurant sales, then create a forecast off of that. It was at least useful. Looking back 15+ years, it was probably more accurate than I knew at the time.

That was a supply whip. We went from being short on supply to be quite long in what seemed like an instant; the combination of The Tech Recession, 9/11, wholesaler changes and massive non-bearing acreage - each adding to compound the problem. Demand for wine was still moving sharply higher, but not quick enough to absorb all the grapes.

Since then, we've gone through several cycles due to long or short harvests in regions but in the background, we've been watching the annual growth rate in wine slow to the point where at present, total volume demand for wine on a trailing 12-month basis is no better than zero, based on several sources.

Excess with Slack Demand

Today, wine supply is moving into unknown territory. We have now reached the point where we have a large and unhealthy excess in grape supply in all price segments. Creating this is a unique set of circumstances we've not experienced before.

From a demand perspective, we are seeing negative volume growth in those regions that produce wines that are positioned below \$9 at retail. That's an issue that's been well documented.

More recently though, volume in higher price point regions has shown zero to minimally positive growth rates, and luckily still modest positive growth in sales dollars. On a volume basis, we are close to hitting slack. We haven't seen negative volume growth since 1994 in the business, but we are very close to that today.

It would be great if we had short bulk supply, empty storage tanks, and we were looking at a light harvest. But talking to brokers and vineyard managers over the past 6 weeks, there is unanimity of opinion that even on the North Coast, we will leave fruit hanging on the vine this harvest. Not everything is contracted. And the early consensus for yield is we are picking out at average, to average-plus yields. It's probably not a surprise given those facts that we are seeing much lower prices paid for uncontracted grapes - if there is a buyer for those grapes. That mirrors price drops on the bulk market too. There just aren't enough buyers.

With wineries full of supply and short on demand, we will see a modest number of contracts expire after this year without being re-upped at current prices. I don't have a gauge on a number but that's a consistent response I'm getting today from producers.

Coping with Supply Excess

How will grape growers cope with the supply issue? That's where we are in uncharted territory. In the North Coast in days past, vines could be pulled early that needed replanting, moderating additions to supply. Growers could also drop fruit they might let hang in better times. And in a doubling-down approach, some growers have crushed uncontracted fruit and hoped for a return when price improved in a year or two.

The problem with those strategies is they all depend on seeing better volume demand growth in a short time. Making projections of increased demand in the next couple of years is becoming increasingly more difficult to make under the circumstances discussed. And on the third strategy above, crushing uncontracted fruit will probably add costs that you can't recover.

In the Southern Central Valley during long periods of excess, vineyards can be pulled and replaced by pistachios, almonds, and pomegranates. Growers can and have moved on to something else; the benefit of diversified farming approaches.

What about the North Coast? How will supply and demand equilibrate to stabilize price if demand on a volume basis doesn't improve longer-term? Growers on the North Coast don't have profitable alternative crops to plant. Long gone are apples, pears, walnuts, prunes, and poultry. There are less expensive places to farm than Northern California and those crops have found those locales.

The question many are asking is, "How long with imbalance last?" Under the circumstances, I don't have an answer that is positive, or that anyone will like. It's something that I'd like to think about more.

There Are Solutions But They Take Time

The best solution to excess supply isn't pulling vines. The solution has to be improving demand, but that will take time and will be painful for growers in the interim.

This is a topic that I covered in a recent blog as well as the Annual State of the Industry Report but is too extensive for this post.

The short treatment is there are essentially two things that are needed to improve consumer demand for wine and lower the gulf between that and grape supply:

Consumers are reducing wine consumption because of health concerns. We need to push back on the cumulative negative health messages from neo-prohibitionists that defy the findings that moderate consumption of wine is more healthy than abstinence. The science is there and has been proven accurate. The California Wine Institute used to have several technical positions supporting this goal and we need to bring that function back.

We have to evolve the way we market. We've proven successful in marketing to boomers, but we still have to engage young consumers. That's not an either-or proposition. We need to hold on to existing customers AND attract new ones. The strategies there are many-fold and we need to faster implementation of those prescriptive strategies.

<https://svbwine.blogspot.com/2019/09/wine-supply-is-entering-unknown.html>

HEATWAVE SHRINKS CHAMPAGNE HARVEST BY ALMOST 20% (Excerpt)

Source: <https://www.thedrinksbusiness.com/>

by Patrick Schmitt

3rd September, 2019

As this year's harvest begins in Champagne, db learns that natural yields in the region have shrunk by almost 20% due to extreme summertime temperatures.

Although yields in the region are officially limited by the Comité Champagne, which governs all aspects of production in the appellation, this year's vintage is being restricted by nature, not man.

While this year's maximum yield from the 2019 harvest was set at 10,200kg/ha (down by 5.5% on last year's limit of 10,800kg/ha), it is believed that growers may not reach this reduced level due to heatwave conditions during the summer.

Speaking to the drinks business on Friday, Bollinger's cellar master, Gilles Descôtes described the harvest as "very small", adding that he believed that producers across the region would fail to reach the limit set by the Comité Champagne, while recording that Bollinger's own vineyards, which amount to just under 180 hectares, had suffered a fall-off in yield by almost 20%.

This year's harvest also, stressed Descôtes, comes in sharp contrast to last year's conditions, when yields were naturally very high, with some vineyards able to yield as much as 20,000kg/ha - as reported by db in October last year.

"Last year was a very big one, and this year will be a small one," he said.

"Yields for the appellation are 10,200kg/ha, but I am not sure that the appellation will reach that, and I don't think we will reach that for Bollinger either," he added.

Continuing, he told db, "We were expecting to have 11,500kg/ha [naturally], but with frost in spring, then hail, then storms, and powdery mildew - which affected some of our Chardonnay - and then the heat, we can expect to reach 9,500kg/ha" - representing a decline of almost 20%.

However, having mentioned this range of setbacks, he said that "the worst for the quantity was the heat", commenting that temperatures reached 43 degrees Celsius at the beginning of August, which caused the berries to shrivel.

Descôtes also said that the harvest would be "very quick" - due to the high level of maturity and low yields - with the majority starting to pick the white grapes from the end of this week, and the red grapes from the beginning of the next (even if harvesting has begun for the "very early crus" on Monday).

As for the quality of the vintage, Descôtes expressed his optimism concerning the potential for Bollinger, due to the ideal harvesting conditions forecast for the next 10 days, and the high level of sugar and tartaric acid in the berries.

"The weather now is perfect and the so is the forecasted weather for the 10 days to come, with 25°C in the day, and 8°C in the morning - which we call the Champagne fridge, as we have nice weather during the day, and then cool conditions during the night, which is good for quality," he explained.

Such weather means that the grapes are mature, with high natural sugars, but also that the tartaric acid is maintained. (Although the level of less stable malic acid is low due to the hot summer, this is less concerning for the majority of producers which promote the conversion of malic acid to lactic acid following the fermentation).

Having previously mentioned the problem of powdery mildew, or oidium, which affected Chardonnay because it is naturally more susceptible to the fungal infection, he said that 2019 was a "Pinot year", adding that the Chardonnay grapes would have to be sorted "very carefully" before pressing.

It is also notable that Bollinger's vineyards, which are managed sustainably - ensuring that there is a grass cover in the vineyards, and no application of herbicides - were in a healthy condition, despite the extreme heat.

"If you look at the leaves, they are perfect," said Descôtes.

Meanwhile, the Comité Champagne has told db that it believes that the majority of producers will be able to reach the limit of 10,200kg/ha, while reminding that those who do not hit this figure will be able to release wines from their reserves to augment the volumes made this year.

In an email to db, Thibaut Le Mailloux, who is director of communications at Comité Champagne, explained that "the best-case scenario" should see producers reach the set yield.

"Even with 3% of bud loss in May due to frost, even with 10-11% volume potential lost by "échaudage" [sun burn of the berries], and even with extra potential losses due to a bit of mildew earlier in the year, some oidium here and there pending varieties and terroirs, we could

be making 10,200 kg collectively," he noted, referring to an average across the region, even after grape-sorting in the vineyards.

He added, "However, the players who don't reach 10,200 kg/ha individually will use the reserve to reach this yield."

Although yields are set each year in Champagne for the amount of wine that can be produced for commercialising from the harvest, it is usually possible to pick an additional amount of grapes to make into wine to store as a reserve, should a future harvest fall short.

While this year the Comité Champagne did not authorise the picking of extra bunches for a reserve, last year, because the harvest was so bountiful, particularly in comparison to the previous 2017 vintage, it received a derogation from the Institut National de l'Origine et de la Qualité (INAO) to add 4,700 kg/ha to augment this back-up supply of wine, which is known as the *réserve individuelle* (RI).

However, because this reserve is capped at 8,000kg/ha, and the average level of reserve in Champagne was around 6,000kg/ha last year, then it may not have been possible for many in the region to take full advantage of this derogation - they would have only been permitted to pick the equivalent of 12,800kg/ha (10,800kg/ha for making into wine from the 2018 harvest and then a further 2,000kg/ha to reach a maximum reserve of wine in tank of 8,000kg/ha).

Nevertheless, even if one takes the figure of 12,800kg/ha for the 2018 harvest, the official drop in yields from last year to this year is 2,600kg/ha, or 20%.

So why was the limit lowered, with no allowance for the *réserve individuelle* in 2019?

Le Mailloux explained, "This year we have not planned to pick any extra volume in order to complete the reserve, because it is almost full (the current average level is 7,750 kg/ha while the limit is 8000 kg),"

As a result, he said that there was "no room for it", and "no need for it".

This last point is important. Champagne reserves are approaching their limit because the region has been consistently producing more wine than the market is absorbing.

Indeed, the amount of wine that could be commercialised from last year's harvest was capped at 10,800kg/ha, which produced the equivalent of 315 million bottles, while the shipments for Champagne in 2018 were just under 302m.

Furthermore, with the amount of wine held in reserve approaching the limit of 8,000kg/ha on average across the region, producers are holding the equivalent of nearly an entire vintage in tank.

Below I have reproduced some updated figures on yields and shipments for Champagne going back to 2010, although for more detailed analysis of Champagne supply and demand trends, please order a copy of this year's Champagne Report by contacting Lewis O'Sullivan at lewis@unionpress.co.uk

Testing times: the untold story behind the Master Sommelier exam scandal (Excerpt)

Source: <https://www.goodfood.com.au/>

JANE LOPES

September 2 2019

Attica wine director Jane Lopes proved her mastery as a sommelier, only to have the recognition stripped away.

The Master Sommelier exam is considered the hardest exam in the world. It has a fiendishly low pass-rate, and since the first exam in 1969, only 262 people have passed the exam globally. (Well, there are currently 262 Master Sommeliers; 280 people have actually passed the exam - more on that later).

The Masters exam is the fourth and final level in a series of exams offered through the Court of Master Sommeliers. It is composed of three parts: an oral theory exam, a service portion, and a blind tasting of six wines in 25 minutes.

Candidates spend upwards of a decade, tens of thousands of dollars, and countless hours of study, practice and preparation to pass the exam. Once a candidate passes, they are a Master Sommelier for life (at least until recently - again, more on that later). There is no recertification, no further requirements for membership. One crosses immediately from mentee to mentor, from student to teacher, from candidate to Master. New Masters are publicly celebrated, revered for their determination and skill, offered pay rises and new positions, asked to teach and educate, and immediately welcomed into a superlative realm of professional achievement.

I passed the exam on September 5, 2018.

It was easily the hardest week of my life. I once read a quote that you'll often look back on the hard times as being some of the most beautiful. These were not those times. The days leading up to, during, and after the exam were just plain miserable. I wasn't sleeping more than a few hours each night, my stomach was in constant revolt, and I wavered between bouts of panic attacks and crying spells. Mental and physical health problems had plagued me most of my adult life, tending to flare up in high pressure situations. Not easy to admit, and perhaps not "masterly", but the truth.

Even after the exam was over - even after I was crowned a Master Sommelier - my mind and body hovered in residual panic. I still had trouble sleeping and eating for weeks after. While congratulatory emails, messages and calls rolled in, I had a hard time enjoying the post-pass glow. "How does it feel?! It must feel AHHHHHMAZING!" was the constant refrain. I would do my best to muster a believable, "Yes, of course, amazing!" all the while still trembling inside from the trauma of it all.

But at least I could take solace in the fact that it was over. I wouldn't have to endure a week like that ever again.

On October 10, everything changed. I woke up to a flurry of activity on my phone. I had a few texts from my then-fiance now-husband (who had passed the exam a year before me in 2017). And a missed call from a member of the Board of Directors of the Court of Master Sommeliers-Americas. But the first thing that caught my eye was a WhatsApp message from a friend in New York: "What's going on with the CMS, are you still a Master Sommelier??"

I checked my email and found a media release from the Court, stating that, due to "clear evidence that a Master breached the confidentiality with respect to the wines presented for tasting", the results of the tasting portion of the 2018 Master Sommelier exam were to be invalidated. All newly minted Masters who passed the tasting portion in 2018 would have to take and pass it again.

I read the media release over and over again, tears streaming down my face. I wasn't in disbelief that cheating had occurred. I was in disbelief that the Board would take this course of action.

I got on the phone with my Board liaison and bombarded him with questions. What was the rush? Why was I not notified personally before the media release went out? Is there really no possible way to investigate and find out who was involved and who wasn't? Would the same action have been taken if a discovery was made about last year's exam or the year before? Or were we deemed more expendable because we had only been Masters for five weeks? Do they really think every Master Sommelier can pass this exam every time? What stigma will be created if we don't pass the retest? Will the assumption be that we cheated? How am I supposed to tell people what is happening - people who have offered me opportunities based on my new credential? And am I still a Master Sommelier? When and how will that title be stripped?

I read the media release over and over again, tears streaming down my face.

He didn't give me any answers, and instead read off a script that had been given to him. The thesis, without any proof or reasoning to back it up, was that "this was the only way".

In the days to follow, one of these questions was answered. I was given written notice, per the bylaws of the organisation, that my membership in the Court was to be suspended in 30 days.

No other questions were addressed. Without any further information from the Board, our class began to collect some pieces of the puzzle ourselves. We discovered that an email had been written the morning of the tasting exam by a senior Master Sommelier, who was a member of the Board of Directors. The recipients were blind copied, but we found first-hand that there were three recipients, with rumours of one more. The email revealed the identity of two of the six wines in the blind tasting exam: a pinot grigio and a Chateauneuf-du-Pape.

The Board stated publicly that they had received the information about the breach on October 5, 2018. They also stated that they made their decision concerning the invalidation of the exam and the subsequent stripping of titles on October 8. And, somewhere in there, they claimed thorough investigation and painstaking deliberation took place. All the decades of dedication

that led to those credentials being achieved were cast aside in three days and two Board meetings.

The Board did not claim there was any evidence to suggest that the confidential information went beyond the recipients of the email. But for whatever reason - and I have my theories - the Board had decided that a retest was the only option, never mind the cost to the organisation, the dangerous precedent set, and the harm to those who lost their pin.

Our class was dragged through waves of internal and public doubt. I had to watch as my name was plastered in the Australian media, with headlines like "Australia's First Female Master Sommelier in Cheating Scandal." Others in our group were pulled out of Introductory exams they had already signed on to teach. Yet others lost pending promotions and raises. The class of 2018 was immediately shoved back across the line, mastery stripped, and lacquered with a veil of suspicion.

In this time, I began to drink more heavily. I usually never imbibe during my work week, but in the first few weeks after the revelation, I needed something at night to dull the pain and numb my mind. Not easy to admit, perhaps not "masterly", but the truth. I made myself a Manhattan most nights. I needed a drink that was strong, quick to make, and went down easy. I'd pour a couple fingers of rye whiskey in a glass, top it with about half as much sweet vermouth, dash in some Angostura Bitters, drop a big ice cube in, and skewer a few brandied cherries. (I still managed to be fancy even in my rush for a quick buzz.)

Oddly enough, I do look back on these hard times as being beautiful. With the help of my trusty Manhattan, I slept through the night. My stomach was at ease. The panic and anxiety that had surrounded the exam was replaced with anger and sadness. This may not seem like a good trade-off, but for someone suffering from half a lifetime of mental health problems, believe me, it is. It's the difference between situational melancholy and systemic, chronic suffering. I'd gladly take the former.

I won't sit the exam again. The reasons are many, but ultimately, I was only able to make the sacrifices required to pass because I wholeheartedly believed in why I was doing it. In examining my reasons for taking the exam in the first place, I found several: to pursue excellence in my profession, to prove to myself that I could do it in spite of my particular challenges, and to be in a position to educate, mentor, and influence in the industry. I know now that I don't need the letters "MS" after my name to pursue the first, prove that I did the second, or be in a position to do the third.

Mastery, after all, is in the pursuit. Especially in the ever-changing world of wine, if you think you've achieved mastery, you've probably already lost it. The wine professionals whose careers I admire the most - pin or no - are the ones who are hungry. Hungry to keep learning more, achieving more, and - most importantly - keep spreading more love. True excellence and hospitality. That is what mastery looks like to me.

<https://www.goodfood.com.au/drinks/wine/the-untold-story-behind-the-master-sommeliers-exam-scandal-20190829-h1hj91?sfns=mo>

FINE WINE'S FORTUNES BEGIN TO TURN

Source: <https://www.thedrinksbusiness.com/>

by Rupert Millar

3rd September, 2019

The Liv-ex Fine Wine 100 continued to see some positive progress in August, ending the month 0.7% up on its July finish.

After a poor start to the year with nearly six months of straight - if small - declines, the benchmark index has firmed up a little over the summer with three months of slight gains over June, July and August.

It was a good month for Burgundy, with Coche Dury's 2016 Meursault leading the way up 11% to £4,848 a case.

Domaine Leroy's 2015 Clos Vougeot and Domaine Leflaive's 2016 Chevalier Montrachet saw gains of 9% and 6% respectively.

The 2009 vintage of Dom Pérignon and Giacomo Conterno's 2010 Barolo Riserva Monfortino, fleshed out the rest of the top five.

The biggest fallers were a mix of Rhône, Burgundy and Bordeaux labels. Armand Rousseau's 2015 Chambertin was the month's biggest loser, down 7%. It's a label that has been oscillating up and down for a few months now.

Domaine Leroy's 2015 Vosne-Romanée Beaumonts was down 5% alongside Haut-Bailly and Palmer's 2009 vintages and Domaine Jean Louis Chave's 2015 Hermitage declined 4%.

FINE WINE INVESTMENT: MAKING THE LEAP

Source: <https://www.thedrinksbusiness.com/>

by Philip Staveley

3rd September, 2019

A picture paints a thousand words, so let's have a go at interpreting a few to see where it leads. We suspect that one answer might recall that old joke about if that's where you want to go to I wouldn't start from here, because in the world of investment the best rewards often seem to depend on where you begin.

Here we have the relative performance over six months, a short term time frame by any other than a day-trader yardstick. Hands up all those who foresaw an escalation in trade war tensions three months ago, and did something about it, i.e. buy gold. Of course a magician would have bought oil in March and switched into gold in June, but that's not the way life is.

By the way we referred in a note in June to the likelihood of gold breaking out through the US\$1,350 level, so we haven't been blind-sided by this to any degree, indeed nor do we think anyone else should have been. It is now US\$1,545 although you can't tell that from this relative view (above). Incidentally you will see that the red line representing the Liv-ex 1000 (the

broadest fine wine index) ends abruptly a month ago, and the reason is simply that it is updated on a monthly basis.

What is interesting is that this heightened uncertainty hasn't negatively affected the US equity market to any great extent, so we suggest that it is by no means a gimme that the world is going down the tubes. Commentators bang on about the likelihood of the US entering recession before too much longer but that isn't exactly obvious from the S&P either.

What is clear is that fine wine prices have struggled to make headway in this phase, and we must pause to speculate why one physical asset (gold) should outperform while another (fine wine) should not.

We believe there is one very good reason for this: the scale of the uncertainty. To our way of thinking even allowing for Donald Trump's predilection for doing the unexpected, the markets have been surprised by his statements. From a consensus view that the US and China would pull back from the brink, there is now a belief that it may be too late to avoid something materially destabilising, and this has resulted in a significant switch into the archetypal safe haven.

Simply put, you can't switch significant sums into fine wine. That market has many attractions but abundant liquidity is not one of them. It has been left behind because investors and high net worth individuals have had bigger fish to fry. Gold has been their best possible hiding place.

Moving out to a 12 month view two things are striking:

Firstly, the oil price outperformance in H1 2019 was consequent to a large decline in the prior three months, and will have been partly attributable to that; secondly, investors have actually been nervous enough for gold to have outperformed for longer than had earlier seemed apparent.

Column inch constraints prevent a thorough examination of each 'picture' so we move on to:

The two year view.

The most arresting line is oil, and if we may we will leave it for now and come back to it later.

So, gold is up 25% over one year and the S&P is down 1%, but if you'd put your money down in equal measure two years ago they are almost identical. (As is oil actually, despite its mid-term gyrations.)

Fine wine, meanwhile, is beholden to Burgundy for its performance, to the following extent:

Now, whether you were lucky enough to participate in the Burgundy wave or not, it is pretty clear where most of the attention within the market was for those 24 months. We must also note that since Burgundy did so well, (+42%), if the Liv-ex 1000 only rose 13% over that time frame it doesn't say much for performance elsewhere in the fine wine world. That should give some clues as to where outperformance hereafter might come from.

Over five years, which we believe to be a reasonable time frame over which to consider investing in fine wine, the 1000 index is pretty much neck and neck with the S&P. The 100 index is up 33% as might be intimated by the extravagant rise in Burgundy prices.

A quick word on oil since we have included it. Oil is a great example of a short term investment, the very antithesis of fine wine. To our way of thinking this is because you need to be able to second guess the Saudis and OPEC, among other things. Regrettably it is not just a play on the growth of emerging market economies, but as you can see you can make (and lose!) a lot in no time at all.

For the much longer time frame we have reverted to the Liv-ex 50 index, not because the results are better, but because prior to 2011 these were generally the main wines that investors were interested in. You can draw your own conclusions from what you see here. Of course you have to net out the costs of doing business (spreads, storage etc), but at Amphora we believe these can be offset by judicious selection of the right wines for investment purposes, in other words, those offering the best relative value. And by switching as and when appropriate.

One of the easiest things to do during periods of turbulence such as we are experiencing now in mainstream markets is to overreact. Selling in panic and buying back later when things seem better can seriously damage your investment health. So can waiting for the 'right time' to plunge in. None of us ever know when that is. The best, and indeed the only thing to do is accept an appropriate term for your investment, and spend time in the market, a point we hope the above charts amply illustrate.

Philip Staveley is head of research at Amphora Portfolio Management. After a career in the City running emerging markets businesses for such investment banks as Merrill Lynch and Deutsche Bank he now heads up the fine wine investment research proposition with Amphora.

<https://www.thedrinksbusiness.com/2019/09/fine-wine-investment-making-the-leap/>

A Tale of Two Wine Auctions (Excerpt)

There's quite a gap between two upcoming wine auctions, US editor W. Blake Gray discovers.

Source: <https://www.wine-searcher.com/>

September 2, 2019

I was going to write separate stories on the Douro Boys' upcoming wine auction in Portugal on October 10 and the Sonoma County Wine Auction on September 21. Then I got a look at the catalogs, and thought it would be fun to contrast them.

Douro Boys: Five of the leading vigneron in Douro Valley, Portugal - five scions of multigeneration family businesses who revolutionized red wine in the region - have made group blends for the third time in 15 years, and they're holding an auction to sell them.

The 12-page auction catalog has photos of the vigneron themselves and descriptions of the wines.

Sonoma County: The 122-page auction catalog, complete with advertising (because USA), has photos of 11 chefs, including the ones providing snacks on arrival.

There's a Presenting Sponsor, seven Major Sponsors (including a helicopter company), three Venue Sponsors and nine Supporting Sponsors. There are two Honorary Co-Chairs, a Vintner Honoree, a Chef Honoree, a Culinary Chair and an Auction Lot Chair, with photos and bios of all of them.

Douro Boys: 50 auction lots

Sonoma County: Only 40 auction lots!

So what's up for auction?

Douro Boys: It's almost entirely wine. The five wineries involved - Quinta do Vallado, Quinta do Crasto, Nieepoort, Quinta Vale D. Maria, Quinta do Vale Meão - each chose a barrel of dry red wine and a barrel of Port. The five guys involved got together and spent three days making a blend. There are 750 magnums and 28 double magnums of the red-wine cuvée, and 350 magnums of the Port.

The lots are mostly differing amounts of those wines, along with an occasional perk. You can bid to play chess with Dirk Niepoort at his house, or go to an FC Porto soccer match with Cristiano van Zeller of Vale D. Maria. There are some winery lunches. But mostly it's wine. The smallest lot, for example, is a single magnum of the red wine, with bids starting at 100 euros.

<https://www.wine-searcher.com/m/2019/09/a-tale-of-two-wine-auctions>

Save the World, One Bottle of Wine at a Time (Excerpt)

What values are behind the wine you're drinking?

Source: <https://www.bloomberg.com/>

By Elin McCoy

September 3, 2019

Whatever you're concerned about-oceans, rhinos, cardiovascular research, hunger, oysters, injured dogs, salmon, veganism, art projects, politics, climate action-there's a wine out there for you. (And no, not just to forget your woes.)

So-called "activist wines," those that inspire drinkers to vote with their dollars, have created a "new road map for fine wine," says sommelier Peter Weltman of Borderless Wine. As with the broader rise of ethical consumerism, wines that do good, as well as taste good, aren't just a passing fashion. They represent a serious shift in the industry that's gone from niche to mainstream over the past few years.

"There are countless research studies that show people today want to buy ethically and sustainably produced products from companies that share their values," says Rob Symington, whose family owns the Portugal-based wine company Symington Family Estates. As of July

22, the nearly 140-year-old wine company achieved B Corporation status, joining a global movement of companies committed to social, environmental, and ethical business practices that are a force for good.

In an email, Symington ticked off a couple of those studies. Unilever announced in June that its purpose-led Sustainable Living Brands are growing 69 percent faster than the rest of its business. A 2015 Nielsen poll of 30,000 consumers in 60 countries reported that 66% were willing to pay more for sustainable goods.

And I've just come across a report published last month by U.K.-based market research firm Wine Intelligence that found young consumers are increasingly paying attention to the impact of their behavior on the environment and extending that sense of responsibility to wine drinking choices.

Add to all that a new group of winemakers who want to do more than make great wine; they want to change the world, one bottle at a time.

Some wineries donate a percentage of profits or proceeds from a special cuvée to worthy causes. From Emmy Award-winning musician Dave Matthews, Dreaming Tree wines has given more than \$1.5 million to environmental organizations such as the Wilderness Society. Profits from its brand-new rosé will go to the International Rhino Foundation. Every bottle of Proud Pour's Mendocino sauvignon blanc restores 100 wild oysters to local waters.

Symington points out that we can't talk about ethical wine without addressing climate change and the goal of ending carbon emissions. Fetzer Vineyards in Mendocino was first U.S. winery to switch to green power 20 years ago, and in 2016 became the country's first certified carbon neutral wine company.

Equally important is social responsibility and how wineries treat workers. Several decades ago, wine drinkers avoided South African wine because of that country's apartheid policies. Now, many have joined the Fair Trade movement that promotes good working conditions and invests in development projects such as improving drinking water. Stellenbosch's Thandi wines was the first fair trade-certified winery in the world.

Musician Dave Matthews (right) has given more than \$1.5 million to environmental causes through his Dreaming Tree wines. Source: The Dreaming Tree

At the annual wine think tank event Fine Minds 4 Fine Wines, organized by the Areni Institute, that I attended in July in Bordeaux, France, social sustainability was a hot topic. Laura Catena, whose family pioneered modern wine in Argentina, started the Bodegas de Argentina Sustainability Protocol. It encompasses training in many skills and language classes for workers and vineyard classes for local rural high schools to give students a way to remain in the area.

Is all this just a version of greenwashing? Check labels for certifications such as organic, Fair Trade, vegan, and membership in the new International Wineries for Climate Action. One way to track down wines with a conscience is to look for like-minded importers such as Weltman, who is starting to bring in wines from war-torn regions through his Borderless Wine Alliance to encourage activist wine buying. Dar Richi, a Lebanese wine made by a Syrian refugee, will

debut this fall. "I realized that with our wine purchases we can help advance regional peace and political and social values," he says, "and make a difference in the world."

Mika Bulmash, an international development specialist who started Wines For the World in 2013 after working a harvest in South Africa built a portfolio of producers that meet strict criteria, including taking positive action about social responsibility and environmental sustainability.

What do these ethically minded wines taste like? A great cause doesn't mean they'll be good in the glass. But with these below-I'm happy to report-you don't have to compromise on taste.

<https://www.bloomberg.com/news/articles/2019-09-03/wine-to-fight-climate-change-help-human-rights-save-animals>

Target brings curbside pickup to all 50 states

Source: CSA

DAN BERTHIAUME

August 29, 2019

Target Corp. is now offering its Drive Up curbside click-and-collect service at 1,750 stores.

The service allows customers to place a mobile order, pull up to their local store, and have an associate bring the order to their car in less than two minutes for free. Shoppers can select products from an assortment of nearly 200,000 items including home furnishings, toys, electronics, household essentials, non-perishable food, and baby-care in the Target app, and select Drive Up at checkout.

Target notifies the customer when their order is ready for pickup, and the customer alerts the store when they're on their way. The customer then parks in a designated spot so a Target associate can load up their car in less than two minutes.

Target built the supporting infrastructure in-house. Earlier this year, the discount giant made it easier for store associates to retrieve orders and deliver multiple Drive Up orders to one customer with a single scan. The sound of a car horn in Target aisles signals the Drive Up team that a customer is in the parking lot ready for their Drive Up order. According to Target, it has fulfilled almost 5 million orders in the first part of 2019, more than double the number of total Drive Up orders in 2018.

Drive Up's most recent rollout includes stores in Alaska, Hawaii, Washington, Oregon, Idaho, North Dakota, South Dakota, Montana, and Wyoming. The retailer introduced Drive Up in October 2017 and most recently expanded its availability in July 2019.

"We've heard the message loud and clear from our guests: They absolutely love the ease and convenience of Drive Up, whether they're shopping for household essentials, road trip snacks or baby gear," said Dawn Block, senior VP, digital, Target. "So our team has worked hard to rapidly expand the service since its introduction less than two years ago to all 50 states. And the work's not done. The team's continuing to find ways to make the service even better."