

# Big retailers embrace CBD in murky landscape

The Associated Press

Mainstream retailers are leaping into the world of CBD, or cannabidiol, a compound derived from hemp and marijuana that doesn't cause a high.

Retailers are taking advantage of the booming industry even as its legal status and health benefits remain murky. And the flood of products is testing how federal regulators can police it.

Retail sales of CBD consumer products in 2018 were estimated at \$2 billion, according to Cowen & Co. By 2025 that figure could hit \$16 billion, the investment firm predicts.

CBD has been cropping up in everything from dog treats to bath balms. Domestic diva Martha Stewart is working with Canada's Canopy Growth Corp. to develop CBD products. And the largest U.S. mall owner, Simon Property Group, has hooked up with a cannabis goods maker to open 100 kiosks at its U.S. malls by midsummer.

Authentic Fitness is planning to sell CBD foot creams, oils and soaps under the Nine West brand this fall. And CVS Health is beginning to sell CBD-infused creams, sprays, lotions and salves at 800 stores in seven states; drugstore rivals Walgreens and Rite Aid are now following suit. Barneys New York has opened a shop in Beverly Hills, California, that sells CBD-infused creams.

"There's definitely a huge opportunity for expansion," said Matthew Mazzucca, creative director at Barneys New York. But he acknowledged the legal hurdles are hard to navigate and companies should take it slow.

Indeed, some are doing that. Walmart says it doesn't have plans to carry CBD-infused products at this time, and Target,



CBD oil is added to coffee at a Fort Lauderdale shop. In New York City that might fetch the owner a fine. Regulations vary by city and state.

which in 2017 sold hemp extract products on its website but quickly yanked them, said it's monitoring the situation.

Meanwhile, online behemoth Amazon is staying clear of the stuff. Spokeswoman Cecilia Fan says the company prohibits the sale of products that contain CBD and will remove them from its site if it sees them.

Only drugs reviewed by the

U.S. Food and Drug Administration as safe and effective can make assertions that they treat or prevent diseases or medical conditions. Many CBD producers try to get around that by using vague language about general health and well-being.

CBD is operating within a patchwork of regulations that vary by cities and states. In

New York City, regulators are prohibiting outlets from selling CBD-infused food and beverages, threatening them with fines. Maine's governor, on the other hand, signed an emergency bill in March allowing CBD in food products after state inspectors warned stores to pull them from shelves earlier in the year.

The farm bill, passed late last year, gave states and the U.S. Department of Agriculture authority to regulate industrial hemp, a type of cannabis that is high in CBD. That opened the door to hemp-derived CBD products.

But the farm bill gave the FDA authority over the food supply

and the agency recently warned that it's illegal to add CBD or THC — the compound that gives marijuana its high — to human or animal food and beverages and transport it over state lines. Dietary supplements using CBD are also illegal.

Stores such as CVS and Walgreens are sticking with skin creams and lotions where the FDA hasn't specifically expressed concern. Others are "rolling the dice" and selling CBD-infused drinks and supplements anyway. Whitt Steineker, an Alabama attorney who advises the hemp industry, notes, "They have determined the reward is worth the risk."

## Awaiting evidence

■ CBD's ubiquity in the market persists despite very little evidence for the health claims the industry touts. **Proponents say** CBD treats pain, reduces anxiety, helps you sleep and keeps you focused. But most assertions are based on studies in rats, mice or in test tubes. **Human research** has been done, but only on small numbers of people.

# More stores shut so far in '19 than in all of '18, researchers say

The Associated Press

U.S. store closures this year are already exceeding the total for 2018, says a key global research and advisory firm.

Coresight Research, which tracks store openings and closings, said Friday that retailers have announced 5,994 store

closures and 2,641 store openings as of early April. That compares with 5,864 closures and 3,239 openings for the full year 2018.

The number of closures indicates that traditional retailers are struggling to respond to shoppers' increasing shift online even as they're working hard to rein-

vent their businesses.

In February, Payless Shoe-Source announced it was closing all 2,100 of its U.S. stores, making it one of the biggest store liquidations. Also accounting for a big chunk of store closures this year is children's retailer Gymboree, which is closing its remaining 750 stores, and fast-fashion retailer Charlotte Russe, which shuttered its remaining 400 stores this spring.

Plenty of chains are shrinking their footprint. Gap Inc. said last month it would close about 200 Gap and Banana Republic stores in the next three years. Discount chain Fred's said last week that it would be closing 159 stores.

Deborah Weinswig, founder and CEO of Coresight Research, said the low 2018 total was actually an anomaly and the industry would return to a faster rate of closures in 2019.

Lord & Taylor's flagship Fifth Avenue store in Manhattan was among the U.S. store closings in the first quarter of this year.



AP / KATHY WILLENS