

CATHY: Summer is the season for breweries in Minnesota. Patrick Rehkamp is back today to talk about news in the Minnesota beer and cider industries along with other business news this week including the health of the housing market. Patrick is a reporter for *The Minneapolis / Saint Paul Business Journal*. Hey, Patrick, welcome back to the program.

PATRICK Hey, Cathy. Thanks for having me.

REHKAMP:

INTERVIEWER: Good, glad you're here. Hey, I understand that *The Business Journal* reported on where homebuyers are paying the most above the listed price.

PATRICK Yeah, so to back up real quick, what we're seen is the median sales price for homes in the Twin Cities area, which
REHKAMP: includes the exurbs, it hit \$375,000 in May. That's depressing for a lot of potential homebuyers and people looking to buy a house. But we know that the median sale price was actually about \$5,000 less than the median list price.

So the list prices are increasing faster than the sales price. That might be a sliver of good news, that the market is softening and people just aren't going to keep up or buyers won't keep up with what sellers want.

CATHY: OK.

PATRICK Generally speaking, it's still the exurbs. We're looking at Waconia, even out to Saint Cloud, those houses tend to
REHKAMP: be going for the most, the median sale price is even still. It appears COVID and the remote work is a large part to play for it. If you want a big house with a couple of bedrooms and two home offices, going out to Saint Michael, Waconia, even south of Shakopee, that's where you're going to find it.

Houses in the direct urban core, Minneapolis, and Saint Paul, they've held steady. They haven't been bad. But the real explosive sale prices, way out in the exurbs still.

CATHY: All right. Hey, let's move on to the story about the breweries. THC, early in the program because we were talking about the new cannabis edibles law that passed July the 1st in the state. And these THC-infused drinks are now legal as are edibles. How are Twin Cities breweries taking advantage of this new law?

PATRICK So we know of one, Indeed Brewing Company in Northeast Minneapolis is moving in on it. They are going to
REHKAMP: release a non-alcoholic seltzer that contains 2 milligrams of THC. They are pretty crafty. They follow the state legislature probably more than most other breweries. And a couple of years ago, they released one with CBD, which is the other component found in a lot of marijuana. So they've been up to date on this. And they haven't announced when yet, but soon is what they said.

CATHY: OK. So breweries, of course. I also mentioned cideries. Cider production went up, went up, way up last year, I understand. What's going on with that?

PATRICK So if we look at the alcohol industry as a whole, there's different segments that are hot, those that are slow. Cider
REHKAMP: is really hot. Minnesota cider is way up. 500,000 gallons were produced last year. That's up big time. About 31% from 2020. This is all local ciders too. It's one of those segments that are real hot. Beer seems to be slowing down and people are going towards cider.

This might be a little subjective, but Minnesota ciders tend to place pretty well as far as just the quality goes. And people are flocking towards them. Overall, it's a pretty small segment of the alcohol industry. You look at globally, alcohol, the global alcohol market is about \$88 billion. Cider accounts for about 10% of it. So it's small. But there's a lot of room for growth. And we're seeing that here in the state.

CATHY: All right. Say, before you go, I see that Target and Best Buy, two Minnesota-based companies are having big sales to rival Amazon summer sales.

PATRICK REHKAMP: That's right. So Amazon Prime Day, it's where you can get a ton of deals online through Amazon. If you'll remember, runs July 12 through 13th. Best Buy and Target, two local companies are getting in on it too. It's a real competitive thing.

You look at these markets right now or these companies, this is a real slow time of the year for these retailers. It's before back to school shopping starts. It's well before the holidays. They kick in these super deals and they do pretty well. We've seen it in the past. It's big money for them.

They talked Amazon Prime, it was about \$3.5 billion in sales over just those two days they did it. Target hasn't released similar figures, but we know it's big for them. And these things continue to grow as well as far as the revenue it means for the companies.

CATHY: Say, by the way. I hear it's your birthday. A little birdie told me it was your birthday today. So happy birthday.

PATRICK REHKAMP: Thank you, I got the greatest birthday gift possible. My wonderful wife dealt with morning, dealt with the morning with our infant and took her to daycare while I got to sleep in a little bit. So--

CATHY: Oh. Nice. Nice.

PATRICK REHKAMP: That's all I could ask for.

CATHY: All right. Well, enjoy the rest of your birthday. Thank you, Patrick.

PATRICK REHKAMP: Thanks, Cathy. For more on those stories and other local business news, log on to mspbj.com.

CATHY: All right, talk to you later. Thank you.

PATRICK REHKAMP: Thanks.

CATHY: Patrick Rehkamp is a reporter for *The Minneapolis / Saint Paul Business Journal*.

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