

Will Health Risks Derail Marijuana Growth?

Description

Marijuana stocks are all the hype these days, and with legalization poised for next July, there is the potential for much more widespread usage, including new users that have not been exposed to cannabis before. There are many logistical issues that still need to be sorted out, such as what the minimum age will be for marijuana usage, and where it can be purchased.

Although people may claim marijuana use has medicinal effects, there are dangers with the use of cannabis that make it comparable to the risks associated with smoking. As marijuana usage potentially becomes more mainstream, there will be more of a focus on it, on how safe the use of cannabis is, and whether the benefits outweigh the dangers.

Marijuana usage shows higher cardiovascular risk than cigarette smoking

A study from the *European Journal of Preventive Cardiology* has found that users of marijuana were more than three times more likely to die from high blood pressure than non-users. The study also suggested that marijuana may, in some cases, have higher risks than smoking, claiming that “cardiovascular risk associated with marijuana use, may be greater than the cardiovascular risk already established for cigarette smoking.” The risk with marijuana usage was also shown to have increased every year the person was a user.

The problem is that these types of studies should have been a requirement before a push was made for the legalization of marijuana, as any future health issues will only further strain an already overburdened healthcare system.

The tobacco industry sees many restrictions with advertising and has many legal loopholes it has to get through just to get its products into the hands of consumers. It's unclear what legal issues cannabis producers will have to go through to sell to customers and how comparable those restrictions might be to the ones placed on big tobacco companies.

Companies banking on big user growth

One of the biggest producers in the industry, **Canopy Growth Corp.** ([TSX:WEED](#)), is eagerly waiting for legalization to occur, so it can expand its reach to new users. From an investment point of view, an increase in marijuana users represents a significant opportunity for growth investors.

Many other companies are racing to get in before the influx of users arrives. New companies such as **Aurora Cannabis Inc.** ([TSX:ACB](#)) and **Aphria Inc.** (TSX:APH) have recently arrived on the TSX in just the past year, with many new entrants likely to follow.

Bottom line

There is a lot of uncertainty in the industry, and many questions remain about how legalization will happen and what the full effects of widespread cannabis usage will be. The hurdles a company will

face when advertising and trying to sell to its customers will certainly cause some issues and will slow growth more than expected. Investors need to be careful when looking to invest in cannabis companies, because although there may be lots of hype and excitement about the future growth, it will not be without issues along the way.

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1. Investing

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1. Editor's Choice

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2. TSX:WEED (Canopy Growth)

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