

The Latest Big-Name Pot Investor: Mike Tyson

Description

The legalization of marijuana is getting many people excited, including Mike Tyson. California is the latest U.S. state to allow the sale of recreational marijuana, which took effect on January 1.

The former boxer, along with other business partners, are going to develop a ranch named after Tyson in hopes of attracting both buyers and sellers to what's being referred to as a 40-acre "cannabis resort." However, Tyson isn't the only big name to get involved in the marijuana industry.

Snoop Dogg has long been linked with the growing popularity of cannabis, and the rapper even partnered with **Canopy Growth Corp** ([TSX:WEED](#)). Snoop Dogg is involved with many marijuana companies and has a lot invested in the industry. Even Nick Lachey, former boy-band star, also has interests in cannabis and pushed for Ohio to legalize pot.

Is this a sign of things to come?

Cannabis is all the hype these days, and we've yet to see big companies get involved. However, it's likely to stay that way until marijuana is legalized at the federal level, particularly in the U.S. Once pot is legal nationwide, we're likely to see some big-name tobacco and pharmaceutical companies take a position in the lucrative cannabis industry.

Canadian companies will have to wait before expanding in the U.S.

Investing even a moment too soon in the U.S. could be problematic, as **Aphria Inc** ([TSX:APH](#)) learned when it was singled out as the TSX cracked down on companies that were [not in compliance with U.S. laws](#).

Although individual states have legalized pot, until it is legal at the federal level, companies like Aphria will run afoul with the listing agency for not being compliant with its requirements.

Canopy Growth has avoided those issues by focusing its expansion on other parts of the world, with Jamaica and the Netherlands just a couple of examples of where the company has set its sights.

With the pot industry in Canada expected to hit [just over \\$6 billion](#), much of the growth will have to come from outside the country. After all, at its current valuation, Canopy Growth's \$6.85 billion market cap would put it at a higher value than the entire estimated pot industry in Canada.

What does all this mean for cannabis investors?

A famous boxer starting up a ranch is not a major development in the cannabis industry, but it does indicate a lot of hype and growth potential for the industry.

However, the more concerning aspect is that we are seeing yet another example of why the cannabis industry is likely to be very fragmented. With everyone trying to get a piece of the pie, it's going to be

very difficult for companies like Canopy Growth and Aphria to grow despite the potential in the industry.

What might be more likely is that a big company enters the industry once we see pot legal everywhere, at which point many of these smaller companies will probably end up being acquired. However, that could still be many years away.

CATEGORY

1. Investing

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1. TSX:WEED (Canopy Growth)

PARTNER-FEEDS

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