



## Hydrophothecary Corp (TSX:HEXO) Lands a Big Deal With a Top Beer Maker

### Description

Marijuana legislation passed a major hurdle this year with recreational pot scheduled to be sold in October, but many in the industry are already looking toward next year, when it's expected that edibles will be legalized. The edible marijuana market could unlock significant [growth opportunities](#) and could bring in many new consumers as well.

However, it's not just candies and gummy bears that the edible market will open; cannabis-infused beverages could be a game changer in bars and anywhere that booze is sold.

We've already seen Corona-maker **Constellation Brands** make a big [investment](#) in **Canopy Growth** last year, and this week we also saw **Molson Coors** ([TSX:TPX.B](#))([NYSE:TAP](#)) announce that it would be partnering in a joint venture with **Hydrophothecary** ([TSX:HEXO](#)), as the two companies will look to produce non-alcoholic beverages containing cannabis.

Molson's CEO Frederic Landtmeters was excited about the development: "Canada is breaking new ground in the cannabis sector and, as one of the country's leading beverage companies, Molson Coors Canada has a unique opportunity to participate in this exciting and rapidly expanding consumer segment. This new venture is consistent with our growth strategy and our commitment to being First Choice for Consumers and Customers by ensuring that Canadians have access to high-quality products that meet their evolving drinking preference."

While some consumers may be disappointed to see that the venture is for non-alcoholic beverages, it's the first step in what's likely going to be a much bigger movement toward many different types of cannabis-infused beverages.

### The race to develop cannabis beverages is underway

The beverage market for cannabis is a big one, and that's why we're seeing some big names get involved early. It's going to take some time to develop something that works and tastes well. We're also likely going to see many more ventures and partnerships between beer producers and cannabis companies by the time edibles are legalized in Canada given how lucrative the market is likely to be.

While smoking pot may be unappealing and could still have a stigma, that same association won't be evident when it comes to beverages, and that could entice many more consumers to give pot a try. Simply being associated with edibles has given stocks a boost.

**Green Organic Dutchman Holdings** is a great example of that, as the stock saw a huge spike in price simply by securing a licensing agreement where it could effectively and efficiently infuse cannabis into beverages, and that got investors excited about its potential growth.

But there could still be more to come as other pot stocks will likely be itching to get in on the action as well.

### **Does this make Hydropothecary a buy?**

Hydropothecary's stock was up 11% on the day that the agreement was announced. While the company may not have much in sales in the past 12 months, the real value in Hydropothecary is in the potential down the road, especially in the beverage market.

While the company is not a big player in the industry yet, it could become a very appealing acquisition target for bigger pot stocks looking to secure market share in the edibles market, and that could make Hydropothecary an enticing buy, as the stock could fetch a big premium.

### **CATEGORY**

1. Investing

### **POST TAG**

1. Editor's Choice

### **TICKERS GLOBAL**

1. NYSE:TAP (Molson Coors Beverage Company)
2. TSX:HEXO (HEXO Corp.)
3. TSX:TPX.B (Molson Coors Canada Inc.)

### **PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

### **Category**

1. Investing

### **Tags**

1. Editor's Choice

### **Date**

2025/07/01

**Date Created**

2018/08/03

**Author**

djagielski

default watermark

default watermark