



Aurora Cannabis Inc (TSX:ACB) Looks to Partner With The Coca-Cola Co (NYSE:KO) to Produce Drinks

Description

Beverage makers continue to find partners in the cannabis industry. On Monday, it was reported by *BNN Bloomberg* that soft-drink giant **Coca-Cola** ([NYSE:KO](#)) is in talks with **Aurora Cannabis** ([TSX:ACB](#)) to develop marijuana-infused beverages.

While the deal is not official, if it goes through it could arguably be the most significant we've seen to date. It was almost a year ago that we saw rival **Canopy Growth** and **Constellation Brands** [join forces](#), while more recently **HEXO** [landed a deal](#) with **Molson Coors**. There could be more deals on the way as **Diageo**, the company that makes Smirnoff, has also been in talks with unnamed cannabis companies as well.

The deal with Aurora and Coca-Cola would be noticeably different from the others, as it doesn't involve a company that primarily produces alcohol. It's also expected that Aurora and Coca-Cola would focus more on the health benefits and work to try and develop a beverage that could offer users pain relief rather than a way to get high.

This is a trend we've noticed from Aurora; it is looking to become the premier name in medical marijuana, and it has acquired some cannabis companies that will offer it a strong presence in that segment.

Why this shouldn't come as a surprise if it happens

Aurora wants to be the top cannabis company, as evident by the moves it has made in acquiring some big players in the industry. And with some of its rivals securing deals in this space already, you knew that Aurora was going to be involved in some way. Edibles, and beverages, in particular, are going to be a significant segment of the market and could potentially even outgrow conventional ways of inhaling pot.

While edibles are not yet legalized, it's likely that sometime next year we'll see a bill get passed. But there has to be a lot of work done ahead of that to test and get a good recipe for a product in place.

Edibles are also a bit more complex since safety and keeping them out of the hands of kids will have to be a priority, and it could be very tricky to do that, as there might not be an obvious way to tell a cannabis-infused cookie or drink apart from one that isn't.

What this means for investors

For Aurora, this is a huge deal, as it could give the company the biggest potential dance partner in the industry. While it's important to remember this is not official just yet, clearly, talks have progressed to very serious stages, and it may only be a matter of time before an agreement is announced. We've seen in the past that Aurora doesn't waste time when making its moves.

The big advantage Aurora would see in this deal is that Coca-Cola has a massive distribution network and is able to reach virtually any part of the world. That's going to make it very easy for Aurora and Coca-Cola to penetrate many different markets at once, and that could make growth that much quicker.

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