



Another Cannabis-Beverage Deal Announced: Could More Be on the Way?

Description

We've heard rumours of more beverage makers looking to partner up with cannabis, and this week we learned of another one that was announced: industry-giant **Anheuser-Busch InBev SA** will be working with **Tilray Inc.** The announcement came on Wednesday in what's being called a "research partnership" between the two companies. Both will invest US\$50 million into the joint effort to research non-alcoholic beverages that contain tetrahydrocannabinol (THC) and cannabidiol (CBD)

Labatt Breweries of Canada will be working closely with Tilray on the research. However, it's important for investors to note that this does not suggest any deal beyond a research partnership, and it doesn't guarantee that the brewer will produce drinks with Tilray if the research proves to be encouraging. In the news release, Labatt's President, Kyle Norrington said that "We intend to develop a deeper understanding of non-alcohol beverages containing THC and CBD that will guide future decisions about potential commercial opportunities."

While the two companies will certainly benefit from any knowledge gained during the process, this is not a commitment beyond research and shouldn't be compared to the [deal](#) that **Canopy Growth Corp** has with another beer maker, **Constellation Brands, Inc.**

However, this partnership does give Tilray a leg up on its peers that don't have a deal with a big brewers, putting it in a good position to secure one with Anheuser-Busch should the research go well. This puts a bit more pressure on other cannabis companies, such as **Aurora Cannabis Inc** ([TSX:ACB](#))(NYSE:ACB) to find a partner sooner rather than later.

Is Aurora in danger of falling behind?

Aurora was supposedly in talks with **The Coca-Cola Co.** regarding a beverage deal, but [nothing came of that](#). With edible marijuana expected to be legalized sometime in 2019, there's not a whole lot of time for Aurora to find a partner, develop and research drinks, and have them ready when cannabis beverages will be permitted for sale. Edibles are going to be the next big craze in the industry, and Aurora needs to find a partner soon at the risk of losing investors to companies that are ready to go.

It is more than just beverages, however, as a strong partner can help fund and grow the cannabis

business, which can be especially challenging as we see pot stocks continue to post big losses and bleed money amid rising growth.

Should investors take a chance on Aurora before a deal is announced?

Tilray's stock got a big boost on news of this deal, although it wasn't more than plans to research cannabis beverages.

With Aurora's stock being down 25% year to date, it might be a good time to buy, especially if you expect the company to secure a deal sometime over the next few months. I wouldn't expect the company to be sitting idle, and it may only be a matter of time before we see Aurora announce its own deal. If that happens, the stock could take off and generate significant returns for investors. Securing a position before that happens might not be a bad idea.

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