



## 1 Retail Stock to Buy if You're Bullish on Cannabis

### Description

Pot stocks aren't the safest investments to make, as they're often very volatile and their financials aren't very consistent. However, one way investors can take advantage of the growing industry without investing directly in cannabis companies is by investing in companies that could benefit from pot but that don't actually grow it themselves.

A good example is **Alimentation Couche-Tard** (TSX:ATD.B); in the past it has expressed interest in getting involved in selling marijuana where it would be legal to do so. It would be a great way for the company to [boost its sales](#) without having to take on much risk itself. While we haven't seen that happen just yet, Couche-Tard is certainly taking steps to get more involved in the industry.

Last week, the company announced that it would be working with cannabis giant **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC) to help provide support for a pot shop in Ontario. Although the owners of the pot shop will retain complete ownership, both Canopy Growth and Couche-Tard will offer their services to help the location. In addition, the agreement also allows the store to use Canopy Growth's Tweed brand.

With private pot shops permitted in Ontario as of April 1, there's not a lot of time to waste for the lottery winners in Ontario to get their locations ready to do business on day one.

### Why this is a good move for both companies

Although neither Couche-Tard nor Canopy Growth have a direct ownership or interest in pot shop itself, it's still a move that will likely benefit them in the long run.

Given the [restrictions](#) around licences in Ontario, this is a clever way for Canopy Growth to get around the issue, and it could be a new way for cannabis companies to exert some influence in retail without directly owning or investing in the companies running the pot shops. I wouldn't be surprised to see more of these types of agreements in the future as cannabis companies will need to be a little creative with all the red tape in the industry to find ways to grow their brands.

For Couche-Tard, it's a great way to learn about the market and get an insight into how it might be able to sell the products at its stores. Although many retailers are still struggling with cannabis shortages, down the road when those issues finally resolve themselves it could pave the way for the products to make their way into convenience stores. The problem is, with rules varying from province to province, it certainly won't be very consistent.

## Bottom line

Couche-Tard has many locations around the world, and with cannabis legalization making progress in many countries, this could be a much bigger play than just Canada. While not many countries have legalized recreational use thus far, it appears inevitable that we'll see that happen in the near future. And that could directly benefit Couche-Tard, which makes it a great non-cannabis stock to invest in for the long term.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. TSX:WEED (Canopy Growth)

### PARTNER-FEEDS

1. Msn
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