



## Will Amazon (NASDAQ:AMZN) Get Involved in Cannabis?

### Description

Over the past few years, there's been a lot of interest in cannabis from other industries. While most of it has been just tire kicking, there have been a couple of big deals, most notably involving **Constellation Brands** and **Canopy Growth**.

However, cannabis isn't a fit for everyone, at least not while cannabis remains illegal federally. **Starbucks** suggested that [it might not be a good fit for its brand](#), while **Coca-Cola** has backed away after rumours swirled that it was looking at partnering with cannabis giant **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB). Most recently, **Amazon.com** ([NASDAQ:AMZN](#)) has been linked to the industry with talks that Whole Foods could start selling cannabis once legal barriers were out of the way.

In a recent interview, Whole Foods CEO John Mackey stated, "If cannabis is ever passed in Texas, chances are good that grocery stores will be selling that too." Mackey has previously expressed his support for marijuana legalization and so it might not be a big leap for cannabis products to make it onto store shelves at some point. A big reason why that likely won't be until after cannabis is legalized federally is due to logistics.

While hemp products could be sold in Whole Foods and can be easily transported across state lines now that the [farm bill](#) has passed, the same cannot be said for tetrahydrocannabinol products or cannabidiol not derived from hemp. And for parent company Amazon, that's undoubtedly a big impediment given its focus on efficiency and being able to move products seamlessly.

### Amazon site currently sells cannabis-related items

Although we haven't seen a clear indication of if Amazon would consider selling marijuana once legalization takes place, it's worth noting that on its U.S. site it is already selling hemp oil along with cannabis cookbooks and apparel as well.

It's a good example of where actions speak louder than words, and Amazon is clearly not taking a hard stance against cannabis. The company has been ahead of the curve. I'd be surprised if it didn't keep up with the latest trends and the growing demand for cannabis, especially if it leads to more sales

growth.

The big question to me is not whether Amazon will get involved in cannabis, but whether it will seek out to partner or acquire a company in the emerging industry.

## Why Aurora could be a good target for Amazon

Aurora Cannabis stands out to me as a great potential fit for the tech giant. Lacking a major partner that could help fund its operations and growth, Aurora could use the cash and would help give Amazon a big presence in the industry almost instantly. And although Aurora doesn't have a footprint south of the border just yet, that could quickly change with hemp now legalized.

Aurora has generated lots of sales growth in its most recent quarter now that marijuana has been legalized in Canada, and it's only scratching the surface of what it could do down the road as the industry continues to grow. The potential growth it would have would certainly take off with big funding from a big company like Amazon to help finance it.

However, even if the tech giant was interested, it'll still likely be years away before marijuana is legalized in the U.S. and before Amazon takes a serious look at the industry.

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**Date**

2025/08/26

**Date Created**

2019/03/13

**Author**

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