



Another Cannabis Company to Enter the U.S. Market (Hint: It's Not Aurora)

Description

As states in the U.S. continue to legalize recreational marijuana, the opportunity for that market continues to expand. And while **Canopy Growth** has already made moves to tap into that market, rival **Aurora Cannabis Inc** ([TSX:ACB](#))(NYSE:ACB) has remained idle.

Although Aurora is likely sizing up investment opportunities and it has added some [key personnel](#) into the mix to help on that front; we've yet to see a big move from the company. There's been no word of an acquisition or partnership that would have investors believe that it's going to be taking advantage of the opportunity in the U.S. anytime soon.

One company that has recently made a move is **Green Organic Dutchman Holdings Ltd** (TSX:TGOD). On Wednesday, the company announced that it was going to enter the U.S. market as both a "co-founding investor and strategic partner" in Califormulations LLC. The newly established company will be based out of Georgia. TGOD says that it "will work with Califormulations to expedite the U.S. launch of TGOD branded organic hemp-based CBD beverages, as local laws and regulations permit."

The company will work with Symrise Inc, which supplies fragrances and flavouring to customers in a wide variety of industries, including food and beverages. Califormulations won't be limited to just TGOD's brands either, as in the release it states that the new company will serve "global branded companies with concept-to-shelf beverage commercialization support including formulation development, technical services, in-house pilot scale production and contract manufacturing co-ordination."

TGOD is certainly looking to cash in on the beverage hype in the industry, which could be a big opportunity for the company. Getting a footprint in the U.S. market, especially for beverages, will be crucial if the company wants to be one of the big players in the industry. While it might not be a big deal such as what Canopy secured with **Constellation Brands**, it still gives it a leg up on Aurora, at least for the time being.

With the farm bill in the U.S. making it legal for hemp-derived CBD products, there's an opening for

Canadian companies to now enter the market. And especially with U.S. cannabis companies expanding, we could see competition ramp up significantly.

There's little time to waste, which makes the lack of movement from a company like Aurora very puzzling. It's hard to imagine that the company isn't in talks, but the longer it waits before making a move, the more of a disadvantage it could face — unless Aurora is working on a significant deal with a big beverage company, as [rumoured](#) in the past with **Coca-Cola**.

Bottom line

For TGOD, making a move into the U.S. market is a big one for the company, which will help unlock significant growth opportunities. It also puts pressure on its peers, and Aurora especially might feel that it needs to do something sooner rather than later.

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