



## Another Big Beverage Maker Jumps Into the Cannabis Industry

### Description

Cannabis beverages could be the next big thing for the industry. In Canada, the launch of edible products later this year promises to be a testing ground for cannabis beverages. In the U.S., despite edibles already being legal and cannabis beverages being available in many states, infused drinks just haven't made much of splash in those markets.

That's why a company like **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB) has not been too eager to find a partner or even focus too much on that segment of the industry. It's simply [not convinced](#) that it's an area that will be worth all the hype. However, while Aurora might be right, it's also important to remember that a key reason why the segment hasn't taken off is that many big brands have been sitting in the sidelines.

Aurora's biggest rival, **Canopy Growth**, has a strong partnership with **Constellation Brands**, but deals like that have been few and far between. Many beverage makers have simply been hesitant to get involved, especially in a U.S. market where it's still technically illegal and it could do damage to an established brand. However, as more beverage makers jump on board, we'll see more products, which could lead to more growth in that segment of the market.

## Another beverage maker finds a cannabis partner

One company that does believe there could be a lot of opportunity in the cannabis beverages segment is **Dixie Brands**, which recently signed a deal with AriZona, a major brand and leading iced tea maker in the U.S.

In a new strategic partnership, the companies will start work on a collection of THC-infused products. It's an agreement that will likely benefit both companies. For AriZona, it will give the beverage maker another avenue to grow its sales and dip its toes into the lucrative cannabis industry, potentially leading to more ventures down the road.

Meanwhile, Dixie Brands, a relatively small player in the cannabis industry, will have the ability to use certain trademarks of AriZona that will help with the branding of the company's products and help

make them more appealing to consumers.

## What does this mean for Aurora?

With more and more companies scooping up deals, there are going to be fewer options available for Aurora to be able to get involved if it wants to do so. The danger is, as the company is waiting in the sidelines, scoffing at the idea of getting into beverages, the opportunity to link up with some high-profile names could be passing the company by as it [falls behind its peers](#).

One of the reasons that Canopy Growth has established itself as a market leader is because it has been at the forefront of these new and emerging opportunities as opposed to waiting to see if anything will happen first before getting involved.

Given how competitive the industry is becoming where even smaller players like Dixie Brands are securing deals, Aurora may be making a big mistake by not getting involved.

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