

A look at where companies stand on marijuana business

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When Canada legalized recreational marijuana in October, it emerged as the world leader in the industry—and U.S. companies are scrambling to get in on the action. Uruguay may have been the first country to legalize pot, but the South American country's market is dwarfed by Canada's. And while a majority of U.S. states have legalized marijuana to varying degrees, contradictory federal laws have U.S. companies reluctant to invest here. So they are sending their money north.

Here's a look at some of the deals and where U.S. states and federal laws stand on the issue.

U.S. COMPANIES WITH SKIN IN THE GAME

— Marlboro maker Altria Group Inc., which is headquartered in Richmond, Virginia, is paying \$1.8 billion for a 45 percent stake in Cronos Group. The deal also includes a warrant, which if exercised could take Altria's ownership stake in the Toronto-based medical and [recreational marijuana](#) provider to 55 percent over the next four years.

— In August, New York-based Constellation Brands announced a \$4 billion investment in another Canadian pot producer, Canopy Growth Corp., the largest to date by a major U.S. corporation in the cannabis market.

U.S. COMPANIES THINKING ABOUT POT

— Coca-Cola, Pepsi, Anheuser-Busch and Guinness brewer Diageo haven't jumped in yet, but have said they're watching closely as the market for cannabis and its extracts evolves.

THE LEGAL MAP

— This fall, Canada became the second nation—and by far the largest—to legalize recreational marijuana use and has become the epicenter of large cannabis companies.

— In the U.S., marijuana still is illegal at the federal level, but 10 states and the District of Columbia have legalized recreational marijuana for adults. Colorado and Washington were first in 2012 and Michigan is the latest after voters approved the measure last month.

— Medicinal marijuana is legal in 31 U.S. [states](#).

INVESTING IN PUBLICLY TRADED CANNABIS OPERATIONS

— Last summer, Tilray Inc., a medical marijuana [company](#) in British Columbia, became the first [marijuana](#) business to complete an [initial public offering](#) on a major U.S. stock exchange, raising \$153 million to expand its operations as Canada prepared to legalize the drug nationwide.

— There are a handful of companies listed on the Toronto Stock Exchange devoted solely to cannabis, either for medicinal or recreational use, or both: Canopy Growth Corp., Aurora Cannabis Inc. and Cronos Group Inc. U.S. exchanges have begun listing those companies as well.

— There are dozens of startups that have attracted millions of dollars in the United States. Most of those investments are invite only.

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A BIG MARKET

— Consumers are expected to spend \$57 billion per year worldwide on legal cannabis by 2027, according to Arcview Market Research, a cannabis-focused investment firm.

— In North America, that spending is expected to grow to \$47.3 billion in 2027 from \$9.2 billion in 2017.

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