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Patricia Olasker Discusses Cannabis Industry Shakeout with Mergermarket

In a recent interview with Mergermarket (subscribers only), [Patricia Olasker](#) discusses structural changes to the cannabis industry and their likely impact.

With the 2018 U.S. Farm Bill decriminalizing hemp, U.S.-based investors and banks are funding hemp and CBD companies, reducing their reliance on Canada for funds and public listings.

Patricia points out that this change also creates opportunities for Canadian companies to invest in U.S. hemp assets. “Because investing in the U.S. hemp market will no longer endanger their Canadian listings, Canadian companies are looking very seriously for acquisitions in the U.S.,” Patricia says. And, U.S.-based sellers “are now coming to Canada looking for buyers.”

Along with increased cross-border M&A activity, Patricia predicts consolidation as a result of an oversupply of cannabis companies in Canada. Of the nearly 200 licensed Canadian cannabis producers, “you’ve probably heard of 10 of them. These [less well-known] producers are going to be driven to M&A as an exit strategy,” Patricia says.

And with potential for decriminalization in the United States, Patricia asks, “Will it be a good thing (for Canada) as U.S. entities come into Canada or will it be the end of the party in Canada as capital exits in search of returns in the U.S.?”