

## Budweiser's Ex-Marketing Chief Sees Weed as New Craft Beer

By **Jennifer Kaplan**

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The former chief marketing officer for [Anheuser-Busch InBev NV](#), the brewer of Budweiser beer, is moving from barley and hops to cannabis as the alcohol industry casts its sights on the burgeoning market for state-sanctioned marijuana.

Burggraeve, 52, has made two investments in the space. Most recently, he joined the advisory board of GreenRush Group. The San Francisco-based startup, which says it aims to be the Amazon of weed, closed its \$3.6 million Series A fundraising round last week. Burggraeve, a native of Belgium with a master's degree in economics, also co-founded Toast, which makes dosed, pre-rolled joints.

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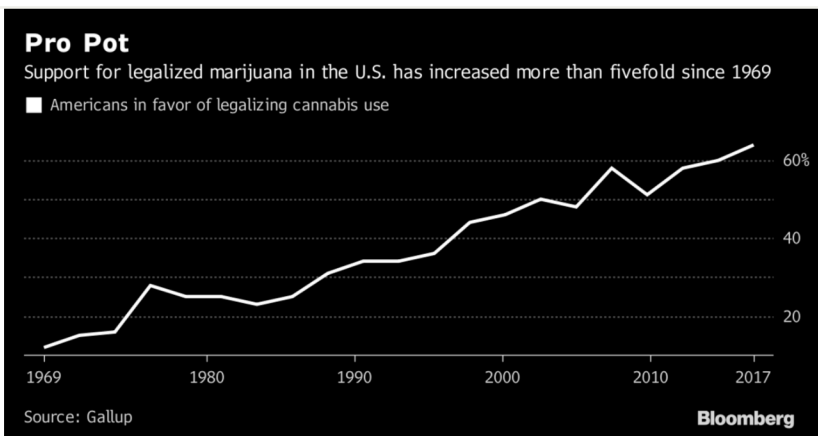
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The former beer executive is one of many entrepreneurs and investors increasingly flocking to the cannabis industry from the traditional business world. Big Beer took its first step last month when [Constellation Brands Inc.](#), which sells Corona in the U.S., announced its investment in Canopy Growth Corp., a Canadian seller of medicinal-marijuana products. In Burggraeve's view, that's just the beginning.

"This is one of the fastest-growing categories globally," he said. "Why? Because people want it. When consumers want something, you ignore it at your peril."

Sixty-four percent of the U.S. population now wants to lift the federal ban on marijuana, according to a Gallup poll released last month. That's the largest rating since the firm started asking about the topic in 1969, the year of the Woodstock music festival, when only 12 percent approved.



After leaving the corporate marketing world about five years ago, Burggraeve said he's focused on teaching, consulting and investing in what he considers disruptive categories. Cannabis, he said, could shake up the large beer companies in the same manner that smaller, independent brewers did over the past 20 years.

"The same way that craft beer started and, for the longest time, was ignored and then exploded, there's no reason why the same thing wouldn't happen in this space," he said. "There will be part supplementing and part complementing. The jury is out on how and where that will happen."

[GreenRush](#) is a technology platform that connects consumers, dispensaries and delivery people to bring pot to people's doors. The company, which is live in California and Nevada, plans to expand to other states, including New York and Massachusetts.

### Risky Business

The idea is to build up the business before marijuana is one day legal under federal law. Big companies like Amazon.com Inc. shy away from the industry now because of the federal ban.

Cannabis is legal for recreational use in eight states and the District of Columbia, including California. That means one in five American adults can ingest the drug however they please. Twenty-one additional states allow for medicinal use of the plant. The industry hit \$6 billion in sales in 2016, a figure that is expected to reach \$50 billion by 2026, according to Cowen & Co.

Still, investing in marijuana isn't without risk. The Trump administration has sent mixed signals, though Attorney General Jeff Sessions is an ardent opponent of legalizing pot. And traditional banking institutions have largely stayed away, forcing most transactions to be conducted in cash.

GreenRush and Toast, Burggraeve's previous cannabis investment, have both focused on socially responsible marijuana consumption, he said. That could mitigate concerns.

Among alcoholic beverage companies, Constellation may have broken the taboo. They may now find the risk worth it, according to Burggraeve. Otherwise, brewers and distillers could find themselves falling behind.

"It will all merge and cross-fertilize and fuse -- not because the companies want it, but because the consumers want it," Burggraeve said.