



Earn Regular Income From These 3 Canadian Stalwarts

Description

It's not difficult to diversify a portfolio with quality dividend-paying stocks. Look for companies with rich histories of providing market-leading goods and/or services. Consider different industries that businesses and families rely on every day. This strategy can supply you consistent returns, even under trying economic conditions. The following three companies cover a wide swath of the Canadian marketplace.

Canadian National Railway ([TSX: CNR](#))([NYSE: CNI](#)) created record revenues and volumes in 2013. The company's adjusted 2013 net income was \$2.6 million in comparison to \$2.5 million the year prior. Canadian National Railway is focusing on the totality of moving goods through the whole supply chain.

For example, regarding overseas intermodal shippers, the company said that it's paying close attention to the complete roundtrip. This includes everything from the container's departure overseas, to port terminal waiting time, to rail transit time, and to the container's return back to the port of entry.

Mr. Claude Mongeau, Canadian National Railway's President/CEO, said in April, "With continued focus on supply chain collaboration and solid execution, CN is reaffirming its 2014 financial outlook and increasing its capital envelope to C\$2.25 billion in support of its commitment to growth, efficiency and safety."

Recently, Canadian National Railway's board approved a second-quarter 2014 dividend on the company's common shares outstanding. It declared a quarterly dividend of C\$0.25 per common share.

Saputo ([TSX: SAP](#)), a dairy products producer, is focusing on greater operational efficiencies and decreasing costs, while working to fortify its presence in the marketplace. In March, Saputo announced it would close four of its facilities. Two are in Canada, and two are in the United States. The company will integrate current production into other Saputo facilities to optimize its operations.

Saputo completed the acquisition of Morningstar Foods in January 2013. Morningstar produces dairy and non-dairy extended shelf-life (ESL) products. The Morningstar Foods acquisition supplements the Saputo Dairy Products Division (USA) operations. Saputo's intention is to continue to develop its business in the United States. In Canada, Saputo recently completed the acquisition of the fluid milk

operations of Atlantic Canada headquartered Scotsburn Co-Operative Services Limited.

In February 2014, Saputo reported Q3 2014 revenues (period ended December 31, 2013) of \$2.3 billion. This represents an increase of \$542.6 million (30.1%).

Moreover, in February, Saputo's Board of Directors approved a dividend of \$0.23 per share.

Canadian Tire ([TSX: CTC-A](#)) is focusing on two current initiatives. It announced last week an agreement with **The Bank of Nova Scotia** ([TSX:BNS](#)) ([NYSE:BNS](#)). For \$500 million cash, Bank of Nova Scotia will acquire a 20% equity interest of Canadian Tire's financial services business. Canadian Tire and Bank of Nova Scotia will work jointly on opportunities that improve customer attraction for its brands, make the most of sponsorship commitments, and highlight a broad array of products and services offered by both companies.

Canadian Tire is also focusing on its digital strategy. In 2011, Canadian Tire acquired Forzani Group and with it the Sport Chek sporting goods chain. Now, Canadian Tire is utilizing Sport Chek's digital presence to advance its e-commerce business regarding Canadian Tire's full line of products. Canadian Tire is offering approximately 90% of its products online now. This is significant since it originally did abandon its e-commerce initiative in 2009.

Mr. Stephen Wetmore, Chief Executive Officer of Canadian Tire, said, "You should be able to get a screwdriver or bag of salt delivered to your door as easily as you can order a pizza in 30 minutes – if that's what our customer wants us to do."

This month, Canadian Tire announced an increase in its quarterly dividend of 14.3% to \$0.50 per share on each Common and Class A Non-Voting share.

Consider dividend income from diverse sectors. Many businesses use rail to move goods, everyone has to eat, and somewhere, every day, someone in Canada is working on a car or a backyard project. These three companies provide the goods/services to meet these needs — and shareholders' desire for consistent returns.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:CNI (Canadian National Railway Company)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:CNR (Canadian National Railway Company)
5. TSX:CTC.A (Canadian Tire Corporation, Limited)
6. TSX:SAP (Saputo Inc.)

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