



3 Agriculture Stocks to Buy and Hold Forever

Description

As the North American agriculture industry continues to grow, investors are constantly looking for ways to invest in it. However, finding the right stock at the right price can be very difficult. To make things easier, I have compiled a list of three stocks that are trading at inexpensive forward valuations compared with their five-year averages, so let's take a closer look at each to determine which would be the best fit for your portfolio.

Rocky Mountain Dealerships Inc.

Rocky Mountain Dealerships Inc. (TSX:RME) is one of the world's largest dealers of agriculture and construction equipment. At current levels, its stock trades at 8.8 times fiscal 2015's estimated earnings per share of \$1.05 and 7.8 times fiscal 2016's estimated earnings per share of \$1.19, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 11.1. In addition, the company pays a quarterly dividend of \$0.115 per share, or \$0.46 per share annually, giving its stock a 4.95% yield.

SunOpta Inc.

SunOpta Inc. (TSX:SOY) is one of the world's leaders in the sourcing, processing, and packaging of natural and organic products. At today's levels, its stock trades at 27.3 times fiscal 2015's estimated earnings per share of \$0.49 and 24.4 times fiscal 2016's estimated earnings per share of \$0.55, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 233.0. The company does not pay a dividend as of right now, but I think it will when it is done investing in its growth and is focused on maximizing free cash flow.

Wajax Corp.

Wajax Corp. (TSX:WJX) is one of Canada's leading distributors of heavy equipment, parts, and related services, as well as power systems and industrial components. At current levels, its stock trades at 10.5 times fiscal 2015's estimated earnings per share of \$2.04 and 9.2 times fiscal 2016's estimated earnings per share of \$2.34, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 11.7. In addition, the company pays a quarterly dividend of \$0.25

per share, or \$1.00 per share annually, giving its stock a 4.65% yield.

Should you buy one of these ag stocks today?

Rocky Mountain Dealerships, SunOpta, and Wajax are three great ways to invest in the growing North American agriculture industry. Foolish investors should take a closer look and consider beginning to scale in to positions in one of them today.

CATEGORY

1. Dividend Stocks
2. Stocks for Beginners

TICKERS GLOBAL

1. TSX:SOY (SunOpta Inc.)
2. TSX:WJX (Wajax Corporation)

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