

# Forget Everything You've Read About Cannabis: Canopy Growth Corp. Is Your Long-Term Investment

## Description

Marijuana companies across the Great White North have been enjoying steady top-line growth over the past few years. Special legislation was created, thanks to recognition of the plant's medical benefits, to allow these organizations to circumvent the national ban on the substance. Today, more than 100,000 Canadians have obtained prescriptions to buy cannabis from licensed growers—a three-fold growth over the past year.

That said, the prize for the industry is not hermetically sealed. As part of Justin Trudeau's outlined marijuana agenda, the plant will be nationally legalized come June 1, 2018. This has massive implications for all savvy investors with a hat in the cannabis ring.

### Lifestyle becomes the name of the game

The overall sector's growth is fueled by the retail consumer. The medical benefits are not to be ignored, but the lifestyle associated with consuming the product is the industry's driving force. More than any other Canadian cannabis provider, **Canopy Growth Corp.** ([TSX:WEED](#)) has positioned itself to dominate retail.

Those who argue that the medically focused players can easily shift to retail are perhaps currently enjoying the product itself. The consumer is savvy and protective of their own personal brand. The value from the products' association with medical benefits will completely change once new legislation passes.

With an open market, the marijuana industry will begin to resemble craft brewing rather than pharmaceuticals. The perception of the product is critical to driving revenue. After all, would you indulge in **Johnson & Johnson's** new (and fictional) Jobin Double IPA? Developing a strong connection with the consumer is of the utmost importance and can be quite expensive. Ask any executive at a large beer manufacturer.

Canopy Growth Corp. has begun by spending on sales and marketing; its budget is more than double the combined expense of its two major competitors, **Aurora Cannabis Inc.** (TSXV:ACB) and **Aphria Inc.** (TSX:APH). This has already manifested in a larger social media following and tangential revenue from merchandise.

Tweed, it's principle brand, has invested in cannabis content and periphery services. In addition, its partnership with Snoop Dogg should not be overlooked. His branded line, "Leafs By Snoop," is a top seller in Colorado, where weed has already been legalized. Further, Snoop's online media platform, MERRY JANE, boasts more than 100,000 followers. These digital channels are the foundation of a global distribution network, upon legalization.

Canopy Growth Corp.'s management deserves applause for a longer-term mindset in anticipation of a

drastic market overhaul. The fundamental risk is a government reversal on national legalization. Although possible, Trudeau's term is through 2019 and potential successor, Kevin O'Leary, has remained upbeat on the proposal.

For the savvy investor intrigued by the expansive opportunity in the marijuana space, Canopy Growth Corp. is the holding for long-term stock appreciation.

## **CATEGORY**

1. Investing

## **TICKERS GLOBAL**

1. TSX:ACB (Aurora Cannabis)
2. TSX:WEED (Canopy Growth)

## **PARTNER-FEEDS**

1. Msn
2. Newscred
3. Yahoo CA

## **Category**

1. Investing

## **Date**

2025/07/02

## **Date Created**

2017/04/06

## **Author**

jshulman

default watermark

default watermark