

Aurora Cannabis Inc.: The Best Canadian Marijuana Stock?

Description

Aurora Cannabis Inc. (TSXV:ACB) is one of the underdogs in the Canadian marijuana industry that could make a giant leap over its peers over the next few years. Larger marijuana companies like **Canopy Growth Corp.** ([TSX:WEED](#)) and **Aphria Inc.** (TSX:APH) are top picks for weed investors now, but the Canadian marijuana market is really up for grabs right now as we head closer to nationwide legalization.

The ambitious Aurora Sky facility is a gigantic 800,000-square-foot greenhouse that makes use of innovative technologies to improve bud quality and increase plant yields. Once completed, Aurora Sky is estimated to be able to produce over 100,000 kilograms of high-quality dried marijuana at a low cost.

The management team is focused on becoming an efficient operator, and I believe the company will always shoot to lower long-term production costs through investment initiatives. The company knows that you've got to spend money in the early stages to become a dominant force down the road.

It's not just marijuana production that Aurora is going after. The company has also made moves to get in on hemp and hemp-based products, which may also be a major source of growth in the coming years.

Creating the marijuana growth facility of the future

It's actually quite intriguing the amount of innovation that goes into Aurora's grow op. Not only is Aurora Sky a massive facility, but it has top-of-the-line tech that will drive operational costs to the floor once the facility is completely online.

The facility will have the first industrial-scale culture process that's specific to marijuana that's fully loaded with "seed-to-sale" tracking systems, climate control, multi-stage water filtration, nutrient delivery systems, and a lot more.

The tech behind the facility is groundbreaking, and if everything goes smoothly, Aurora could be one of the biggest long-term winners in the marijuana space.

Taking a bite out of hemp

More recently, Aurora announced its plans to acquire a 19.9% stake in **Hempco Food and Fiber Inc.** (TSXV:HEMP). Hempco is one of the largest industrial hemp and hemp product producers in the world. The company sells packaged food products like hemp protein powder, hemp fibre, and hemp hearts.

What does this have to do with medical marijuana?

It appears that Aurora is going off on a tangent with this acquisition, as hemp is not a drug that contains suitable amounts of tetrahydrocannabinol (THC). Hemp-based products may have health benefits, but they won't give you pain relief or any of the effects that users would get from smoking

marijuana.

How does the hemp deal make sense?

Hemp contains extractable amounts of cannabidiol (CBD), which is a chemical that's also present in marijuana. Unlike THC, CBD won't make you high, but it has medical benefits and could be used to treat specific ailments. The market for CBD products is likely to grow by a huge amount over the years as the general public becomes more open to using the compounds present in marijuana.

The hemp deal is an intriguing diversification away from cannabis production, but don't expect an 800,000-square-foot hemp-growing facility anytime soon. Aurora's main focus is on its Aurora Sky project and becoming one of the leaders in the Canadian marijuana industry.

Takeaway

It's hard to say what the "best" Canadian marijuana stock is as we're still in the very early stages, but based on the direction that Aurora has taken, the company definitely looks like a top pick for long-term thinkers.

Marijuana stocks have taken a hit on the chin, but we could experience round two of the green rush once a catalyst reignites interest in the emerging industry.

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