

2 High-Yield Canadian Stocks Are Having a Big Year

Description

If you are an investor keen to buy income stocks that pay regular dividends, here are two companies you may want to look at. Both **Ag Growth International Inc.** ([TSX:AFN](#)) and **Agrium Inc.** (TSX:AGU)(NYSE:AGU) are having good years and pay reliable dividends. Let's take a closer look at each one.

Ag Growth, established in 1996, is a "leading manufacturer of seed, fertilizer, grain, feed and food handling, blending, storage and conditioning equipment."

Ag Growth offers a monthly dividend of \$0.20, equal to \$2.40 per share annually. If you are looking for a good dividend yield, Ag Growth's yield sits at a nice 4.20%. The company has boasted dividend yields as high as 7.65% and hasn't dipped below 4% in the last five years, giving it a reliable payout for those interested in income from their stock portfolio.

Ag Growth is having a good year. In 2016, it had record sales results, and it blew through those numbers again in the first quarter of 2017. Ag Growth attributed these results to robust demand in the Canadian and overseas markets, as well as higher U.S. farm sales.

Agrium, established in 1931 as Cominco Fertilizers Ltd., is a "global leader in agricultural products, services and solutions." Its goal is to help growers substantially increase crop yields.

Agrium offers a quarterly dividend of US\$0.88 per share, equal to US\$3.50 per share annually. Its dividend yield sits a bit lower than Ag Growth's at a still respectable 3.88%. Agrium's dividend yield has been steadily rising over the years from 1.01% in 2012, through four years of yields in the 2.5-2.75% range, and finally breaking through 3% in 2017.

In September 2016, Agrium and **Potash Corporation of Saskatchewan Inc.** (TSX:POT)(NYSE:POT) announced plans to join "in a merger of equals to create a world-class integrated global supplier of crop inputs." (Potash also pays quarterly dividends with a current yield of 2.48%.)

The two companies announced that Agrium shareholders will receive 2.230 common shares of the new company for each Agrium share owned. The merger is expected to close in the third quarter of this year. The newly merged company will be named Nutrien.

Investor takeaway

There are many things to consider when buying a stock, but if you are looking for reliable dividend yields, consider either Ag Growth or Agrium.

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