



Canadian Marijuana Stocks to Buy as the Germany Battle Intensifies

Description

The race to marijuana supremacy in Germany is raging on with several Canadian licensed producers rushing to take strategic positions in this nascent and highly promising cannabis market.

It's still early days to judge [who the winner is](#), but a few players do stand out. Success in [this strategic market](#) could generate massive growth prospects for the winning cannabis players and boost equity valuations.

Here is a look at the current top contenders.

Cronos Group Inc. (TSXV:MJN)

Cronos has recently become a fiercer contender in the Germany market. The company had its stock soar nearly 30% yesterday and closed up 20.10% on December 27, after announcing that its Peace Naturals product is now available for sale in Germany through a new strategic partner.

The geographically diversified marijuana player recently signed an exclusive five-year partnership deal with G. Pohl-Boskamp GmbH & Co. KG, a strong global pharmaceuticals establishment with access to about 12,000 pharmacies throughout Germany.

The company is constructing a new grow facility in Israel, after entering a joint venture with Israel's Kibbutz Gan Shmuel to create Cronos Israel with plans to build a 45,000-square-foot grow facility with a capacity to produce about 5,000 kilograms of dried cannabis per annum, all earmarked for the export market.

Cronos Israel's facilities could increase capacity to over 100,000 kilograms per annum in the near future, and the joint venture may produce product at costs as low as \$0.40 per gram — a feat most Canadian licensed producers can only dream of.

Through the October agreement with Pohl-Boskamp, Cronos now enjoys unparalleled access to a wide distribution network in the Germany, and the 12,000 pharmacy network dwarfs that of any other publicly listed marijuana player present in Germany.

Aurora Cannabis Inc. ([TSX:ACB](#))

Aurora is one aggressively growing licensed producer that is significantly challenging older cannabis players to global marijuana market dominance, with the Germany market being another important battle front.

Aurora's sales volumes to Germany are significantly picking up after the company reported \$1,235,000 in revenues last quarter.

The company recently received the all-important European Union Good Manufacturing Practices (GMP) certification for both its Aurora Mountain grow facility in Canada and for its Germany subsidiary Pedanios GmbH recently, allowing it to more easily attack the European market.

Aurora's Pedanios has more than 1,500 pharmacies as distribution clients in Germany.

The loss of a supply contract with Peace Naturals could negatively affect Aurora's sales volumes growth in Germany in the short term, but new production from 800,000-square-foot Aurora Sky and new Aurora Vie facilities could boost harvests by the first half of 2018.

Most critical though, a successful takeover of **CanniMed Therapeutics Inc.** (TSX:CMED) could present Aurora with much-needed GMP certified production facilities and boost Germany shipments, while creating a formidable marijuana behemoth that can significantly challenge the current market leader for global dominance.

Most noteworthy, Aurora passed the first stage of the yet-to-be-awarded Germany cannabis supply tender.

Canopy Growth Corp.

The global leader in the cannabis market, **Canopy Growth Corp.** ([TSX:WEED](#)) was the first entity to supply the Germany market with marijuana products after being allowed to ship its Tweed branded product into the country, even before becoming GMP certified.

The company got GMP certification for two of its production facilities this year and is able to easily ship product into Europe without much hassle.

Canopy has been slow to move in Germany after reporting a paltry \$78,000 and \$404,000 in medical cannabis export revenues for the three and six months, respectively, ended September 30, 2017. Its Germany subsidiary, Spektrum Cannabis GmbH, has a 400 pharmacy distribution network.

Most noteworthy, Canopy could become one of the winners in the Germany tender after passing the first stage. The results could be available early 2018.

After the massive \$245 million investment from **Constellation Brands** in October, Canopy is

adequately financed to construct so big a Germany production facility that could significantly outsize other bidders' facilities in the territory.

Other notable listed contenders

MedReleaf Corp. (TSX:LEAF) passed the first phase of the Germany supply tender.

A smaller player, **Maricann Group Inc.** ([TSX:MARI](#)), also passed the first stage of the Germany cannabis supply tender, was expecting GMP inspection of its Canadian facilities this December, and it already has a Germany hemp-focused investment.

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Author

brianparadza

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