



Canopy Growth Corp. Signs Up Another Province

Description

Canopy Growth Corp. ([TSX:WEED](#)) has secured a deal with yet another province. Prince Edward Island is the latest to sign up with Canopy, along with two other suppliers, to provide the province with cannabis when it becomes legal this summer. The company has already secured deals with [New Brunswick](#) and [Newfoundland](#).

The province also announced that the minimum age for pot consumption will be 19, and that people will be able to publicly possess a maximum of 30 grams. Although pot will be legalized federally this summer, there are many differences from one province to the next as to how it will be sold and distributed, which will impact the industry's ability to grow.

Although P.E.I. is the smallest province in the country, it further signifies Canopy's strong position in the industry and the trust that many have placed in it already. By no means is it a big win to secure a deal to sell cannabis in a province that plans to have just four government-run stores and that has a population that is smaller than Windsor, Ontario. However, in the bigger picture, it gives Canopy yet another leg up on its competition.

Canopy's big advantage

The cannabis industry continues to grow in size, and with lots of competition and limits on how a company can advertise, any way for a producer to differentiate itself will be key. This is where Canopy has already achieved a great deal of success. It has been successful in expanding its presence across the country and in making itself the preferred cannabis brand.

Investors need only to look at Ontario's heavy-handed pot regulations to see why this will be important. In Canada's biggest province, pot will only be purchased through government-run stores that will see many restrictions and make it very difficult for one brand to stand out from another, and that makes name recognition significant for potential buyers.

Canopy is definitely the leader in the industry — not because it has a market cap of \$7 billion, but because of how it has successfully been able to position itself and the key partnerships and agreements that it has obtained thus far. By securing supply deals, Canopy is offering its investors

something tangible that can prove that its sales will be able achieve significant growth over the months and years to come.

Is Canopy the best buy in the industry?

What might be most remarkable is that even with returns of more than 270% in the past year, it has still been outperformed by one of its peers. **Aurora Cannabis Inc.** ([TSX:ACB](#)) has seen its share price grow over 340% since being listed on the TSX back in July. A lot of that hype came when the company announced it was looking to acquire **CanniMed Therapeutics Inc.** However, that has not gone as smoothly as expected and left a lot of uncertainty as to how that will play out.

Investors will certainly be paying a high value for Canopy, but the potential the stock possesses might make it a more attractive option than others in the industry.

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2. TSX:WEED (Canopy Growth)

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