



## A Top Canadian Stock to Hold for 35 Years in Your RRSP Dividend Portfolio

### Description

Young Canadians are realizing they have to begin thinking about retirement as soon as they start their careers.

Those who have jobs with the government or an organization that offers a generous defined benefit pension might have less retirement planning to do, as long as they intend to stay for the better part of their working lives. The rest, however, should consider stashing some funds away right from the first paycheque.

One option is to buy dividend stocks inside a self-directed RRSP account and use the distributions to purchase additional shares. The ideal companies are market leaders that pay attractive dividends with a strong likelihood of steady payout growth.

Let's take a look at **Nutrien Ltd.** ([TSX:NTR](#))([NYSE:NTR](#)) to see why it might be an interesting pick.

### A formidable company

Nutrien was created through the recent merger of Potash Corp. and Agrium. The new company is a powerhouse in the global crop nutrients market with potash, nitrogen, and phosphate facilities that supply buyers around the world. In addition, Nutrien operates an extensive retail business that sells seed and crop protection products.

Wholesale commodity prices took a hit in recent years, but they appear to have bottomed, with Nutrien seeing spot price growth in key potash markets. The company specifically highlighted Brazil in the Q1 2018 earnings report. Nitrogen and phosphate are also showing early signs of a recovery. The retail division provides a stable revenue stream when volatility hits the fertilizer segments.

### Growth

Nutrien is making acquisitions to boost the retail operations. The company purchased 29 retaillocations in early 2018, adding US\$280 million in annual revenue. The company also launched anintegrated digital platform to help growers manage their operations.

In July, Nutrien announced the acquisition of Waypoint Analytical, the largest agricultural laboratory group in the United States. The company also secured a deal to buy Agrible, which is a digital agriculture company.

Nutrien just sold its stake in Arab Potash Company for US\$502 million. The transaction was required as part of the terms to allow Potash Corp. and Agrium to merge.

## Dividends

Nutrien pays a quarterly dividend of \$0.40 per share. That provides a [yield](#) of 3% based on the current stock price. Investors should see the payout increase as crop prices continue to recover.

## Should you buy?

The combination of the wholesale and retail business units makes Nutrien a compelling stock. Global population growth should support strong fertilizer demand for decades, as farmers strive to grow more food on less land.

Feeding people is one challenge, but a rising middle class in developing countries is also boosting demand for meat, and that means more crops must be grown to feed the animals that people want to eat.

Second-quarter results come out on August 1, and I wouldn't be surprised if they are stronger than the market anticipates. If you are looking for a stock to buy and sit on until you retire, Nutrien looks attractive today.

Other opportunities exist to help build a balanced RRSP portfolio.

## CATEGORY

1. Investing
2. Metals and Mining Stocks

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