



Forget Canopy Growth Corp (TSX:WEED): Why This U.S. Pot Stock Could Soar in 2019

Description

Canopy Growth ([TSX:WEED](#))(NYSE:CGC) is coming off a strong quarter where its sales continued to show [impressive growth](#). The company is hoping that things will only get stronger as it [expands into the U.S.](#) and takes advantage of the hemp market, which is expected to be big with the farm bill in the U.S. recently being passed.

While there's no doubting that Canopy Growth will achieve significant growth as a result of this, it's also going to face many big new challenges. Being a TSX-listed stock operating in the U.S., it's going to face different restrictions and limitations than those that are listed on the Canadian Securities Exchange (CSE).

Back in January of 2018, companies were put on notice that being in violation of federal U.S. laws could run them the risk of being de-listed from the TSX. And while you may be wondering why that matters if Canopy Growth is going into hemp, it's because the big opportunities won't be in hemp. Edibles and high-level tetrahydrocannabinol (THC) products are what have been driving growth in the U.S.

Hemp might take up a small piece of the pie, but it's been THC that's been what consumers have been after. We likely won't see Canopy Growth run into that murky area given that it's illegal at the federal level, even if it's legal in individual states. It's become a bit of a messy industry to say the least, and Canopy Growth has stayed on the safe side, unlike some of its counterparts. For that reason, I wouldn't be too excited about its prospects for growth in the U.S. for the foreseeable future, simply because there are better options out there.

Instead, CSE-listed **Trulieve Cannabis** ([CNSX:TRUL](#)) might be the more appealing buy today. The medical marijuana company recently opened its 24th dispensary in Florida — a state that's home to a lot of seniors. What makes it appealing for medical patients is that it also offers home delivery across the state and with more than 180,000 patients, the potential growth is significant. It's estimated that Trulieve accounts for 60-80% of the state's total volume, giving it a tremendous position in the market today.

However, the growth options for Trulieve continue to expand, as the company recently signed a deal to sell cannabis-infused baked goods from Love's Oven, LLC, which is based out of Colorado. Edibles have been immensely popular in Colorado, and this deal could give Trulieve even more market share in Florida, particularly for users looking for tastier options when it comes to consuming cannabis. Although Florida hasn't legalized marijuana for recreational use, when it does, it could open the floodgates for Trulieve, especially in the edibles market.

In the meantime, the company still has a lot of growth potential by having access to a significant part of the U.S. medical marijuana market.

Year to date, Trulieve's stock has already risen more than 40%, and there could be a lot more to come.

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