



2 Unique Cannabis Companies Flying Under the Radar

Description

Finding investments in the cannabis space with decent value is a difficult thing to do these days. For years now, investors have been in and out of stocks, trying to figure out where the most profits will be made, and as the industry continues to grow and mature, it starts to become clearer.

As we get further into legalization, the data is getting better and leading to answers. Soon, we will no longer have to speculate on the most profitable companies and products. As more companies bring on new production and the industry continues to grow, it's becoming more evident which companies are the ones that will succeed.

Some companies have even been left mostly ignored and once the market catches wind of their potential, the stocks will likely rally until the fair value is reached.

Two unique cannabis stocks with huge potential are **Emerald Health Therapeutics** (TSXV:EMH) and **Village Farms International** (TSX:VFF)([NASDAQ:VFF](#)).

Emerald Health Therapeutics

Emerald Health is a generally unknown cannabis company with a market cap less than \$300 million. The company is unique because in addition to it being a cannabis company, it's also a health company that specializes in developing products to interact with the body. This gives cannabis a natural synergy and will lead to tons of growth opportunities.

It has a number of operations across Canada giving it a diversified asset base. This includes wholly owned operations as well as its major joint venture with Village Farms.

Emerald has also entered a strategic alliance with Factors Group — a leading nutritional supplement marketer and manufacturer.

Emerald Health Naturals, its product line, is the first of its kind in Canada, it's already in more than 200 stores and is expected to be in more than 1,000 by the end of 2019.

It continues to research new product lines and medicines. It's currently researching medical formulations to treat animals in conjunction with UBC.

Emerald has also made a number of supply agreements with the provinces. In total, it has licences with eight provinces and one territory. As production ramps up and it can increase its capacity, it's expected to increase its recreational sales.

Due to its natural synergies with its health line and the many catalysts for growth, Emerald is one of the highest-potential stocks in the industry.

Village Farms

Village Farms is one of the top stocks in the industry. It's not as well known as some of the bigger companies, but it's much more known than Emerald. Village Farms is unique because as well as growing [cannabis](#), the company also grows vegetables. It has assets in Canada, the U.S., and Mexico.

It's in a unique position with greenhouses already in production because the company can easily switch products it grows without having to construct an entirely new location.

This means if it has a greenhouse in a jurisdiction where cannabis becomes legal, the company could be first to market growing the product, as it wouldn't have to construct an entire facility.

It also has a ton of experience and a long 30-year history of high-quality, low-cost greenhouse growing. The company has been a vertically integrated grower and distributor amassing tons of experience throughout the industry.

It is continuously working to lower costs without sacrificing quality of the product. In the second quarter of 2019, the all-in cost of goods sold per gram was just \$0.65.

The company is attractive, especially at these prices, and it's reassuring to see that management and the board stand behind the company, owning more than 20% of the shares outstanding.

At a market cap just below \$750 million, the company is a prime candidate to double in the next year.

Bottom line

Both companies have been generally ignored by the market, but as the industry continues to mature, the stocks are set to rally. Each has its own unique characteristic that gives it a strategic synergy, which should be an advantage.

Both stocks will do well as the industry grows, but the opportunity may not last long, and you don't want to let it slide.

CATEGORY

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TICKERS GLOBAL

1. NASDAQ:VFF (Village Farms International, Inc.)

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