



3 Ancillary Stocks to Invest in the Marijuana Craze

Description

One number that keeps getting thrown around within the cannabis industry is US\$200 billion. That figure represents what this industry could be worth globally in just a decade. Given that in 2018, there were US\$10.9 billion in legal sales with the industry in its infancy, it appears that cannabis companies are well on this path to greatness.

Yet right now has proven a difficult time for investors seeking pot stocks. With a recession on the way and the cannabis industry already experiencing some difficulties, investors are seeking some light in this dark tunnel. Many companies don't even have a profit posted yet, and some are still in the development phase.

While I wouldn't count them out yet, there are still other ways to take advantage of the growth in the marijuana market. So let's take a look at a few of them.

Go for growth

Every cannabis company has one thing in common: it has to produce pot. That means it needs the means to grow that marijuana plant — and a lot of it. By buying up shares in a company that could take advantage of this surge in needed production, investors could see their own returns grow substantially as the cannabis industry does.

One great stock to consider is **Nutrien Ltd.** ([TSX:NTR](#))([NYSE:NTR](#)). This company is already a [powerhouse](#) of the fertilizer industry, boasting the top spot for largest producer of potash and the second-largest producer of nitrogen fertilizer.

The company has also been acquiring businesses to expand its worldwide footprint, and looks to be just getting started. Not only would you be taking advantage of the cannabis market by buying up a stock like Nutrien, but you'd also set yourself up to take advantage of all continued growth in the demand for fertilizer.

Ship it out

Another great option for investors is buying up companies that will ship out cannabis products. While recreational marijuana will go to a number of stores around Canada, the United States cannabidiol (CBD) market is also well on the rise. If marijuana is legalized in the U.S. on a federal level, that will set up cannabis companies for a surge in demand for the green stuff.

That means that companies will need to be able to store and ship cannabis products across the U.S. One stock that stands to take advantage of this is **WPT Industrial REIT** (TSX:WIR.U). This company has placed its focus on [light industrial](#) real estate properties across the U.S., with 70 properties and more on the way.

These properties provide the perfect place for cannabis companies to store products and ship them out, just as many big-name companies are already doing with this company. One such example is **Shopify**.

As the cannabis industry continues to grow, I'd expect an REIT like WPT to expand rapidly, especially as it also continues to take advantage of e-commerce, which is how much marijuana is being purchased in Canada.

Pack it up

Another oddball stock that could see some huge growth from the cannabis market is **CCL Industries Inc.** (TSX:CCL.B). This company is the world's largest label maker, with 154 manufacturing facilities in North America, Latin America, Europe, Asia, Australia and Africa.

The company offers labels and packaging products to a number of markets, but the most interesting is the healthcare industry.

It appears that CCL is already set up to take on the marijuana industry by heading up the marijuana market. As the demand for cannabis by Canadian consumers is reached, cannabis companies will then seek to go global and reach even more markets.

With facilities across the world in industries already familiar to CCL, this company stands to bring in huge returns once the marijuana market expands.

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Date

2025/07/20

Date Created

2019/09/12

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