



## 4 Top Stocks to Buy Now for CBD Upside

### Description

Growth stocks don't get much more exciting than recreational cannabis, a brand-new market that is still establishing itself while also rewarding strategic investors. Though the actual moment of Canadian legalization may not have seen the meteoric growth in pot stocks that the market expected, there is certainly still plenty of upside to be had if investors know where to look.

One key area of growth is CBD. **New Frontier Data** values the market for hemp derivatives in the U.S., for instance, at \$23 billion over the next couple of years, representing an astounding 21% growth per year. Considering the high-growth potential for this sector, it seems a smart play for Canadians seeking juicy capital gains.

### The popular choices for upside

**Cronos** is the stock to go for in the CBD space if international scope fits your investment strategy. Its main focus is domestic, though Cronos also serves Poland and Germany and has buddied up with companies serving Australia, Colombia, and Israel, with a U.S. operation forthcoming. Customers may know Cronos through its popular recreational brands **Spinach** and **COVE**, or its medicinal brand **Peace Naturals**.

Meanwhile, with thousands of stores spread across the U.S. and a drive to boost production, **Charlotte's Web** is one of the leading CBD-weighted stocks on the TSX. An exciting growth stock which has seen a 45% year-over-year increase in revenue and an operational area that has almost tripled since 2018, Charlotte's Web would fit nicely into a cannabis stock portfolio centred on [market share and highly competitive productivity](#).

### Two top contenders for CBD exposure

**Neptune Wellness Solutions** is an interesting company that focuses on a number of areas of which cannabis extractions are just one. As the names would suggest, Neptune is built around wellness brands and nutraceuticals solutions, as well as specialty ingredients and pet products. A popular stock

in the last five days of trading, Neptune might be one to watch for a dip at its current valuation.

**Village Farms International** (TSX:VFF)([NASDAQ:VFF](#)) kickstarted its entrance into the world of hemp production when it announced a strategic partnership with **Emerald Health Therapeutics** to create a subsidiary venture called **Pure Sunfarms**. The mission statement was simple: to grow pharma-grade hemp for the blossoming CBD market in a world-class 1.1-million-square-foot greenhouse.

Investors who like to diversify with as few stocks as possible should find Village Farms an interesting play. Growing bell peppers, tomatoes, and cucumbers for the North American market, Village Farms also gives investors access to basic consumer staples, making for a [classically defensive stock](#) that could weather a potential market downturn. The stock has decent growth potential and is fairly healthy in terms of its balance sheet.

## The bottom line

Cannabis investors seeking access to the massive upside potential from CBD growth should consider stacking shares in Cronos, lifestyle-focused Neptune Wellness Solutions, expanding Charlotte's Web, and diversified Village Farms. The latter is a defensive, low-exposure option that could satisfy low-risk investors also seeking exposure to consumer staples, while Cronos and Charlotte's Web in particular are popular stocks among cannabis stockholders seeking high-growth investments.

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

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