



Cannabis 2.0 Is Coming: 3 Weed Stocks That Could Skyrocket

Description

Dubbed “Cannabis 2.0,” we’re on the verge of seeing a second significant change in the marijuana industry. Cannabis 2.0 talks about the second wave of Canadian adult-use recreational marijuana legalization. Less than a month from now, Canada is going to legalize several cannabis derivatives.

The country will legalize the use of cannabis-infused beverages, edibles, and vapes on October 17, 2019. Cannabis 2.0 follows Cannabis 1.0 from last year.

On October 17, 2018, Canada legalized the use of recreational marijuana and sales, but the legalization covered only dry cannabis flowers, oils, plants, seeds, and sublingual sprays.

According to Health Canada, the derivatives will go on sale in licensed dispensaries by mid-December, 2019. There are many reasons why the overall marijuana industry is excited about the new wave of cannabis legalization in Canada.

Why the pot industry is excited about Cannabis 2.0

This legalization will allow the industry more comprehensive ways to approach a broader consumer base. Cannabis 2.0 will also enable producers to offer products to people who might not often try cannabis-derived products.

CBD, for instance, is a compound derived from cannabis, which does not make you high, but it has many potential medical benefits.

There is another substantial reason why the industry is excited about the new wave of legalization: the value of cannabis derivative products is a lot more than dried marijuana flowers.

Significantly higher margins through derivative products mean that Canadian companies can expect its stocks to soar once its products hit the market.

Weed stocks that will enjoy legalization the most

The legalization is going to be industry wide. The overall pot industry is expecting to see a boost in total revenue generation. The two companies I feel are poised to reap the most benefits from Cannabis 2.0 are **OrganiGram Holdings** (TSXV:OGI)([NASDAQ:OGI](#)) and **Supreme Cannabis** (TSX:FIRE).

OrganiGram is a pot company with a strong focus on the [cannabis derivative market](#). The company is gearing up for legalization by investing in completely automated infused edible equipment.

OrganiGram is also revamping the Moncton facility in New Brunswick to increase extraction capacity. An already capable facility, the 56,000 square feet of space will help the company fully leverage on the higher demand for derivatives.

Supreme Cannabis is also [getting in on the game](#). The company announced the acquisition of **Blissco** and **Truverra**. Truverra is a company that presents Supreme Cannabis with an opportunity to take on the derivatives market by storm.

Truverra will handle the manufacture of derivative products for Supreme Cannabis. Blissco will provide the CBD and THC-based pre-rolls and wellness products.

Things are looking up

Supreme Cannabis and OrganiGram are two of the four companies chosen by PAX Labs to supply the company's extracts, resins, and distillates. PAX Labs is one of the world's most renowned vaping device producers, and this move can potentially mean a lot of benefits for both pot companies.

In light of Cannabis 2.0, there are some concerns you should be aware of as an investor. The launch of derivative products will experience similar supply problems to that of the dried cannabis flower.

Another near-term issue is that Health Canada is currently bogged down with sales license, cultivation, and processing applications — a backlog that can take months to process.

Supply challenges will likely cause a problem for the derivatives market, which is precisely the reason why Supreme Cannabis and OrganiGram will benefit the most. The two producers are well prepared to meet the expected demands.

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