



## Canopy Growth (TSX:WEED) vs. Canopy Rivers (TSXV:RIV): Which Is the Better Buy?

### Description

It is widely known that **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC) is the industry leader when it comes to cannabis. Now though, as the industry is evolving and edibles and extracts are about to be legalized, could its venture capital company **Canopy Rivers** (TSXV:RIV) be the better investment?

Canopy Rivers was originally started to focus on the smaller opportunities in the cannabis space that Canopy Growth couldn't take seriously.

As Canopy Growth started to acquire companies, and as investments in the sector became more abundant, Canopy Growth's valuation exploded. With its focus becoming the market and world leader at the time, it couldn't focus on the smaller opportunities, yet didn't want to turn them away.

Consequently, Canopy Rivers was born, and to date it has evaluated more than 1,500 opportunities. So, what is the difference, and which is the better investment?

### Canopy Growth

An investment in Canopy Growth is an investment in the industry leader for licensed producers. Canopy has been at the forefront of the [cannabis](#) industry long before recreational cannabis was even legal.

In addition to its cannabis cultivation, CGC is also growing its research considerably to be the first to market in whatever new product or service that is being innovated.

Its research and developments continues to be one of the industry leaders, as the company now has more than 90 patents and more than 240 patent applications filed to date.

It has helped to find products for a number of problems such as sleep aids, animal health products, anxiety relief, health and wellness products, as well as much more.

So far, the company has operations in 12 countries on five continents and continues to push for more international expansion.

Excluding Ontario, the largest province by population, Canopy has signed 10 supply agreements to provide roughly 70,000 kg per year of recreational cannabis.

In the third quarter of 2019, it did roughly \$85 million in sales on just over 10,000 kg or kg equivalents of cannabis product sold and shipped. Of these shipments, roughly 80% was recreational cannabis.

These numbers don't seem all that impressive, but the recreational industry is less than a year old in Canada, and the international markets continue to open up new opportunities everyday, so Canopy Growth should still be one of the top choices for cannabis investors.

## Canopy Rivers

Canopy Rivers is the way to go if you want more exposure to all the other businesses and sub-sectors in the cannabis industry. After having evaluated more than 1,500 opportunities, to date the company has made 18 investments in the companies it thinks have the most potential.

From its 18 investments, it has exposure to more than 10 different sub-sectors in the industry — anything from vaping, hardware, cosmetics, natural health products to media and technology or even equipment and supplies.

Another advantage it holds is having a massive network of companies to work back and forth with. Since it has its ties to Canopy Growth as well as all these small companies, it can broker deals and help to scale the expertise it has in its many investments.

With the exposure to all of these sub-sectors and the competitive advantage it has with its strategic partnerships, Canopy Rivers is poised to be rewarded as the industry continues to mature.

## Bottom line

Neither stock is necessarily better than the other; each offers investors exposure to a different segment of the market. You need to decide whether you believe the producers are a better investment or if all the other smaller companies are better. Of course, you could always diversify your investments and buy both.

The main thing is not waiting too long to get in, especially since extracts and edibles are being legalized in October.

### CATEGORY

1. Cannabis Stocks
2. Investing

### TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
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