



Feast on Dividends in the New Year With These 3 Top Food Stocks

Description

It's been a fraught time on the markets, with uncertainty stacking up on all sides. This week has seen several major loose ends get tied up at once, though, giving investors reason to be bullish on the coming decade. From a mini trade deal between the world's two largest economies to a clear signal that Brexit could proceed with reduced fallout, plus a new USMCA deal, stocks could be set to rally.

Agri could be a hot sector in 2020

Earlier in the week, a potential tit-for-tat agreement between our two largest trade partners looked like a strong direction but not the end to the trade war. The irony was that while both sides had been eyeing a deal, they had essentially already come to a tentative understanding centring around the U.S. agricultural industry. While tensions still remain, though, a lasting resolution has come a big step closer.

With the U.S. setting out a US\$50 billion agri deal that would see China buy into to American agri in exchange for dropped tariffs, American-grown produce could get a lift in the new year. Companies like the [world-leading agri input supplier Nutrien](#) could see a significant relief rally as real-world effects of the tentative deal ripple through the agricultural industry.

Also, the new USMCA deal should mean that North American agri gets a boost, with areas such as dairy seeing a relaxing of protectionist stances between its member nations. Dairy has long been a bone of contention between the U.S. and Canada, and should a more amicable position arise, the dairy industry, including players such as **Saputo**, could in theory enjoy an upward correction.

Play the agri space and earn passive income

Restaurant Brands is another key food stock, and one that adds all-weather protection to a stock portfolio built around [defensive consumer staples](#). The company owns some of the biggest and most recognizable brands in the fast-food industry: Burger King, Tim Hortons, and Popeyes.

Food is classically recession-proof and forms the largest part of the consumer staples asset range. However, recession can change people's eating habits; for instance, causing people to ease off eating out and move into cheaper, quicker ways to eat.

Restaurant Brands has held onto and grown market share, and with a strong expansive strategy, it's likely to remain a dominant player in the next decade.

In terms of passive income, Saputo, Nutrien, and Restaurant Brands all reward in their own ways. Saputo, trading closer to its 52-week low than its high, pays a passable 1.7%. Meanwhile, Nutrien pays a substantially higher 3.85% yield, and likewise trades closer to its year-long nadir than its high point. With a 3% yield, Restaurant Brands is a more expensive stock but still pays a tasty dividend.

The bottom line

With China set to buy into American agri in return for an easing of punishing duties, investors might expect to see a boom in the farming sector. Paying some enticing dividends, the three stocks listed here are among the best ways to play growth potential in what is one of the most sturdily defensive sectors available to stockholders.

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Date

2025/09/21

Date Created

2019/12/14

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