2 Top RRSP Stocks for the Next 30 years

Description

Canadian savers are searching for top Canadian stocks to add to their RRSP portfolios.

Nutrien

Nutrien (TSX:NTR)(NYSE:NTR) is a top producer of potash, nitrogen and phosphate. Gardeners are familiar with these products, as they are key fertilizers to boost plant growth. On a larger scale, Nutrien's wholesale group sells potash on annual contracts to countries such as China and India. Farmers use the products to boost crop yields.

Nutrien expects global potash deliveries to match or exceed record levels in 2021. High crop prices have carried over from last year, putting more money in the pockets of farmers who are spending on fertilizer and planting more acres to take advantage of the strong market conditions.

Looking ahead, current population forecasts suggest the world will have an additional 2.2 million people by 2050. Over the next 30 years, urban expansion is expected to eat up valuable farmland. The result will be greater food demand but less arable land available to produce crops.

Nutrien has world-class production facilities and its retail operations, which sell seed and crop protection products, provide a nice hedge against downturns in prices on the wholesale side of the business. The company's digital solutions division is also expanding. The products help farmers make their operations more efficient.

The stock is catching a bit of a tailwind, as money rotates into commodity plays. More upside should be on the way, as the crop nutrients market continues its recovery after a multi-year slump. Investors who buy at the current price near $78 per share can pick up a 2.9% dividend yield. It wouldn't be a surprise to see the share price hit $100 by the middle of next year.

CN

Canadian National Railway (TSX:CNR)(NYSE:CNI) is a leader in the North American rail industry. The company has close to 20,000 track miles connecting both coasts in Canada to the Gulf of Mexico in the United States. CN recently agreed to pay US$30 billion to buy **Kansas City Southern**, a U.S.-based railway with lines connected to Mexico. The market doesn't like the deal and has subsequently knocked CN's share price down from $149 to $135. Analysts are concerned about the debt taken on to make the acquisition.

Investors with a buy-and-hold strategy might want to take advantage of the weakness to start a position in the stock. Whether or not the KCS deal goes through, CN should continue to deliver strong earnings and free cash flow in the coming years as the Canadian and U.S. economies expand.

In the event CN gets the all clear to buy Kansas City Southern, it will become a rail giant that would benefit greatly from the growth in trade between Canada, the United States, and Mexico. At the current price, the stock appears somewhat undervalued.

Long-term holders of CN stock have done well buying the dips. A $10,000 investment in the stock 20 years ago would be worth about $180,000 today with the dividends reinvested.

The bottom line

Nutrien and CN are leaders in their respective industries and should deliver solid long-term returns for investors. The stocks appear attractive today and deserve to be on your radar for a buy-and-hold RRSP portfolio.

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