



1 Obscure Marijuana Stock That Could Earn You 100%

Description

Canadian [cannabis producers](#) have been itching to penetrate the lucrative U.S. markets. The companies pin their hopes on lawmakers that would champion the federalization of marijuana. So, President Joe Biden's win was welcome news because Democrats support the decriminalization of marijuana.

The cannabis sector rallied in February 2021 but most stocks have fallen after due to several challenges. In the recent earnings season, industry leader **Canopy Growth** and peers **Aurora Cannabis** and **Cronos** reported disappointing results. In addition, the merger of Aphria and **Tilray** did little to boost weed stocks.

Most investors look to big industry players to gain exposure to the cannabis space that should grow by around 18% annually between last year and 2027. However, one obscure marijuana stock could deliver [much more gains](#) than the top names. **OrganiGram** ([TSX:OGI](#))([NASDAQ:OGI](#)) remains a speculative play, although if it can execute its growth plans well, it can hold its own against larger peers.

Competing bills

The *Marijuana Opportunity, Reinvestment, and Expungement (MORE) Act* sponsored by then-senator and now Vice-President Kamala Harris was reintroduced at the U.S. Senate in late May 2021. The MORE Act proposes to remove cannabis from the federal Controlled Substances Act.

Republican congressmen Dave Joyce and Don Young sponsored a competing bill known as the *Common Sense Cannabis Reform for Veterans, Small Businesses, and Medical Professionals Act*. Both Houses of Congress are making moves to fast-track the legalization of marijuana at the federal level.

Waiting game

However, it could take months before either bill gets a hearing. The Democrats and Republicans might

need to find a compromise that should also be acceptable to the marijuana industry. In 2019, the House passed the *SAFE Banking Act* which gives protections for depository institutions providing financial services to cannabis-related businesses.

Canadian cannabis producers would have to wait a little more for full-scale federal legalization across the border. After that, politics could rear its ugly head and extend the suspense. Once the legal hurdles are over, industry experts estimate the annual market value of cannabis to reach US\$30 billion by 2025.

Potential best-in-class MJ stock

OrganiGram is pint-sized compared to industry leader Canopy Growth. However, the \$1.1 billion producer and seller of cannabis and cannabis-derived products from Moncton could be the best-in-class marijuana stock. Thus far, in 2021, the small player outperforms Canopy, +120.12% versus -6.48%. The current share price is \$3.72.

In case you own OGI today, keep holding the stock. Market analysts also recommend a buy rating as the price could double by year-end 2021. **British American Tobacco** signed a strategic collaboration with OrganiGram in March 2021. The tobacco maker plans to augment its ongoing activities to expand the portfolio beyond nicotine.

The US\$88.5 billion U.K. firm chose to collaborate with OrganiGram because of the latter's cutting-edge R&D technologies, product innovation, and cannabis expertise. BAT will leverage Organigram's first-hand experience to deepen its understanding of the rapidly expanding and evolving industry.

Growth catalysts

Don't underestimate OrganiGram's potential to make waves in the cannabis industry. The partnership with BAT, a leading consumer goods business with innovative product platforms should give it a competitive advantage. Its recent acquisition of the Edibles & Infusions Corporation should help capture a significant market share in Canada's larger edibles market.

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