



## A Top Canadian Stock I'd Buy With \$500 Right Now

### Description

**Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) is a [global specialty chemicals company](#) focused on the agricultural sector. Within the company's potash operations, Nutrien increased sales volumes by over one million tonnes in 2020 and took actions to further reduce the company's cash cost of production per tonne, which resulted in record-low costs for Nutrien.

### Future potash outlook

The outlook for potash appears to have improved for 2021, starting the year at much higher prices than the average in 2020, while remaining very affordable for growers. For the company's nitrogen business, Nutrien achieved [record-high sales volumes](#) through higher combined ammonia operating rates at the company's North American facilities and the benefit from recent brownfield debottleneck expansions, which were brought on budget.

### Opportunistic capital deployment

Recently, Nutrien sold its 26% equity position in the Misr Fertilizers Production Company nitrogen facility in Egypt for \$540 million. This was a very opportunistic sell by the company to take advantage of an overvalued asset. The company expects to redeploy the proceeds to generate higher returns for shareholders. This is another example of Nutrien's commitment to a continual and rigorous portfolio review to optimize the company's business.

During 2020, Nutrien made significant strides towards its goal to be the leader in sustainability in the global agriculture sector. Nutrien is working on a broader climate-smart strategy, with numerous investments made over the years to develop climate-friendly products and services. For example, Nutrien is one of the leading producers of blue- and low-carbon ammonia, with approximately one million tonnes of production capability.

## Comprehensive long-term climate strategy

Over the past year, the company has achieved an approximate 20% improvement in its overall environmental, social, and governance (ESG) ratings and made substantial progress compared to the company's peer groups. Nutrien also expects to unveil a comprehensive long-term strategy in the third quarter of 2021 to continue to demonstrate the company's leadership in this area.

In the area of safety, health, and environment, 2020 was Nutrien's most successful year to date. The company sent more workers home safe each day and maintained a low level of environmental incidents. It appears that the company's safety culture and leadership are the primary drivers of these superb results. By focusing on prevention of incidents, increasing awareness through leadership presence, and creating an open dialogue environment, the company improved performance.

## End-to-end carbon program

Overall, Nutrien expects to build on last year's excellent results and has indicated to the investment community that the well-being of employees and the communities in which it operates will always be the biggest priority. The company recently announced what it expects to adopt the world's leading carbon management and sustainable agriculture program. Based on the progress made, Nutrien appears uniquely positioned to offer the industry's most comprehensive end-to-end carbon program.

The program should make it easy for growers to adopt more sustainable agronomic practices that generate significant financial benefits for the grower, while also delivering positive carbon outcomes that can be seamlessly verified, thereby creating carbon credits that can be traded. This represents a huge opportunity for Nutrien and could result in a sharply higher share price.

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