



Pick This Top Growth Stock as Canadian Marijuana Sales Jumps 68%

Description

Canada's red-hot housing market is cooling down, although the focus is likely to shift to a booming market. Statistics Canada reported that cannabis sales rose 68% in May 2021. On August 20, 2021, a flash report said retail sales of legal adult-use cannabis in Canada increased to almost \$318.7 million in June.

Overall, recreational cannabis sales in Canada posted a 58.5% year-over-year increase. If you were to bet on a top [growth stock](#) in the space, I don't think **Canopy Growth**, **Aurora Cannabis**, **Hexo**, or **Tilray** are the choices. All these [industry giants](#) are underperformers in 2021.

OrganiGram Holdings ([TSX:OGI](#))([NASDAQ:OGI](#)) is the [surprise package](#). Investors in this \$985.95 million producer and seller of cannabis and cannabis-derived products enjoy a 95.27% year-to-date gain. Also, the current share price of \$3.33 is 100% higher than a year ago. Had you invested \$10,000 on August 27, 2020, your investment is worth double today.

Significant growth in eight years

OrganiGram started as a medical cannabis producer in Atlantic Canada back in 2013. Today, the Moncton-based company focuses on high-quality, indoor-grown cannabis for patients and adult recreational consumers in Canada. It also develops international business partnerships as part of its global footprint expansion plan.

Cultivation facilities

You can find OrganiGram's primary indoor cultivation and production facility in Moncton, New Brunswick (14 acres). This said facility has an edibles and derivative facility in it and can also do in-house extraction capacity. The company acquired Winnipeg-based Edibles and Infusions Corporation in April 2021 to expand its manufacturing and production footprint.

OrganiGram's edge is Organigrow, an in-house proprietary information technology system. The

database tracks all grow cycles by harvest period, strain, room, environmental conditions, and other factors. It helps the company understand and refine the optimal methods to grow cannabis plants.

Management is particular about the continuous improvement and refinement of cultivation and post-harvesting practices. The goal is to achieve a competitive advantage in the cannabis space.

Multi-year partnership

During the COVID year, OrganiGram and Canndoc signed a multi-year agreement (7.5 years). The Canadian firm will supply dried flowers to one of Israel's largest and most established medical cannabis producers and InterCure Ltd.'s subsidiary.

OrganiGram guarantees to deliver 3,000 kg of high-quality, indoor-grown dried flower product to Canndoc by year-end 2021. The partnership is an opportunity to launch branded medical products with Canndoc. More importantly, it paves the way to penetrate markets in Europe.

Solid investor

If Canopy Growth has a strategic partner in **Constellation Brands**, **British American Tobacco** has a significant stake in this Moncton-based company. The global tobacco giant owns 19.9% of OrganiGram, its vehicle into the lucrative CBD market. British American chose Organigram because of its proven track record of consumer-led innovation and developing high-quality adult-use recreational and medical cannabis products.

High flyer

In Q3 fiscal 2021 (quarter ended May 31, 2021), OrganiGram's gross revenue soared 31% versus Q3 fiscal 2020. The net loss reduced significantly (93%) to \$4 million. The stellar revenue growth explains why the weed stock is a high flyer.

According to OrganiGram's chief strategic officer Paolo De Luca, the ongoing investment in genetics and cultivation program will lead to more genetics and derivative product launches in the near term. The potential upside could be as high as 67% in the next 12 months based on analysts' forecasts.

CATEGORY

1. Cannabis Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NASDAQ:OGI (OrganiGram)
2. TSX:OGI (OrganiGram)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. cliew
2. kduncombe

Category

1. Cannabis Stocks
2. Investing

Tags

1. Editor's Choice

Date

2025/09/18

Date Created

2021/09/02

Author

cliew

default watermark

default watermark