



## Earn \$20 Per Day Tax-Free With 2 Simple Stocks

### Description

Canadians can meet their short-term or long-term financial goals via the Tax-Free Savings Accounts (TFSAs). The advantage of maximizing annual contributions to this investment vehicle is that all interest, gains, and dividends earned are tax-free.

A TFSA user can save and invest up to the extent of their annual contribution limits. More importantly, [investment choices](#) can be simple. The sugar and pizza business, for example, are excellent sources of income. Sugar is a consumer staple, while pizza is comfort food to many.

On the **TSX**, **Rogers Sugar** ([TSX:RSI](#)) and **Pizza Pizza Royalty** ([TSX:PZA](#)) are high-yield [dividend stocks](#). You can buy shares of one or both [cash cows](#) to hold in your TFSA. Because the average dividend yield is 6.485%, you can accumulate \$55,000 worth of shares in each to earn \$20 per day, tax-free.

### Sales volumes are returning

The COVID-19 pandemic temporarily disrupted sugar production in 2020. As a result, sales volume took a nosedive. However, things appear to have returned to normal this year. After nine months of fiscal 2021, the net earnings of Rogers Sugar reached \$31.38 million, or a nearly 40% increase from the same period in 2020.

Management was happy to report increases in sugar (5.4%) and maple syrup (1.4%) sales volumes. Its President and CEO John Holliday said on the Q3 results, “Our operational flexibility allowed us to meet the higher volume demand in some segments while managing the impacts of volume reductions in others.”

Rogers Sugar maintains a positive outlook for the following quarters. The team anticipates a return to a more traditional volume mix. Thus, overall performance should align with prior-year levels. Sugar sales volume could increase by 15,000 metric tons over 2020, while demand for maple syrup will increase steadily.

The consumer-defensive stock trades at \$5.47 per share and pays a fantastic 6.58% dividend. Also, there are no wild price swings. Rogers Sugar has rewarded investors with a total return of 606.89% (10.26% compound annual growth rate) in the last 20 years.

## Positive momentum

Pizza Pizza Royalty outperforms the TSX thus far in 2021 (+27.62% versus +18.1%), which is quite a surprise. As of August 30, 2021, the share price is 11.26%, while the dividend yield is 6.39%. The \$362.32 million company is the indirect owner and franchisor of Pizza Pizza and Pizza 73 brands in the quick-service restaurant industry.

When the pandemic happened in March 2020, the impact on the pizza business, including sales channels, was immediate. Nevertheless, the Q2 2021 (quarter ended June 30, 2021) results are encouraging due to the strong vaccination rates across Canada. Pizza Pizza's system sales from the royalty pool (725 restaurants) increased 3.9% versus Q2 2020. Meanwhile, same-store sales grew slightly by 0.8%.

Pizza Pizza CEO Paul Goddard said, "We immediately experienced an increase in our walk-in sales and saw the reopening of a few key non-traditional locations." Goddard believes the positive momentum is timely. Historically, sales are strongest in the back half of the year.

After Q2 2021, the Board announced a 9% increase in the shareholder dividend effective August 2021. Goddard adds that despite a particularly challenging economic backdrop, market share in Alberta remains strong.

## Reliable dividend stocks

Rogers Sugar and Pizza Pizza are reliable income providers. If you want to earn more tax-free money in your TFSA, stick to simple, easy-to-understand businesses.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:PZA (Pizza Pizza Royalty Corp.)
2. TSX:RSI (Rogers Sugar Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
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6. Sharewise
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