



3 Top Wheat Stocks to Buy in 2023

Description

Wheat farming takes up more land than almost any other commodity on a global scale. Because of the volume of grain produced each year, numerous businesses make a living by growing, transporting, or selling it. Here are three of the best stocks to buy in the wheat industry in 2023.

Nutrien

Nutrien ([TSX:NTR](#)) is one of the world's largest potash producers. With a 20% market share, the company is the market leader in installed capacity.

Nutrien, however, is the largest agricultural retailer in the United States regarding wheat exposure. It directly sells fertilizer, chemicals, seeds, and other services to farmers.

And, as you're probably aware, we need fertilizer, chemicals, and seeds to grow crops like wheat, corn, and oats.

The company's price has fallen due to falling potash prices, but I would not let that stop you from investigating whether Nutrien is a good fit for your portfolio today. The corporation is a blue-chip, [dividend-paying stock](#). Although it is vulnerable to the cyclical nature of commodity prices, it has proven to be a consistent earnings grower, both as Nutrien and before 2018 as Potash Corp and Agrium.

In 2023 and 2024, earnings and revenue are expected to fall. However, given that the company is only trading at six times expected earnings at the time of writing, this bearish outlook appears to be more than priced in.

Bunge

Bunge ([NYSE:BG](#)) is an agribusiness that mills, manufactures, and sells a wide range of grains. Wheat, along with soybeans and corn, is one of these grains. Bunge is a relatively secure company, because it can withstand a bad harvest or the failure of one of the grains.

The commodity industry is cyclical, with steady rises followed by corrections on a fairly regular basis. Bunge stock price has followed this pattern, with rises of 20-50% followed by falls over the last 10 years.

Bunge is an excellent [investment](#) opportunity, because it allows you to invest in the entire grain industry. The demand for grains to feed humans and livestock is only expected to rise in the coming years. Bunge provides a way to bet on that without putting all your money into one grain, making it one of the best wheat stocks to buy in 2023.

Adecoagro

Adecoagro ([NYSE:AGRO](#)) is a farming company headquartered in Luxembourg that operates primarily in South America. It owns a lot of farmland in Argentina, Brazil, and Uruguay, where it grows wheat, other grains, and commodities like sugar and food oils.

The company only went public in 2011, and it has not capitalized on its initial promise as well as it might have hoped. Since a massive drop in the company's share price in 2020, investors have been wary of Adecoagro. However, the stock price decline was most likely a precautionary measure to prepare for poor performance as a result of bad weather and the coronavirus pandemic. The company has recently diversified its business strategy to hedge against pricing volatility. The management structure also complements Adecoagro's diverse business model and assists the firm in optimizing resource allocation, lowering costs, and establishing a solid reputation.

With no sign of the war ending anytime soon, its position as a leading wheat producer outside of Europe means it's well positioned as a food source alternative.

CATEGORY

1. Investing

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1. NYSE:AGRO (Adecoagro S.A.)
2. NYSE:BG (Bunge)
3. TSX:NTR (Nutrien)

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sbchateauneuf

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