



3 Top Farming Stocks to Buy in 2023

Description

Some long-term investors find farming stocks or agriculture-related investments attractive because the nature of the businesses is enduring. They are typically [recession-proof](#) because demand for food is generally stable. Companies such as **Nutrien Ltd** ([TSX:NTR](#)), **SunOpta** ([TSX:SOY](#)), and **Ag Growth International** ([TSX:AFN](#)) are three such defensive buys in 2023.

Fertilizer giant

Nutrien is suitable for [income, growth, and value investors](#). The \$54.6 billion fertilizer company provides crop inputs, services, and solutions to growers worldwide. Its integrated business model not only improves the profitability and sustainability of customers but also maximizes shareholder value.

According to management, Nutrien's world-class integrated network is the best in the industry. It enables the agri-giant to optimize operating, transportation, and logistics costs. More importantly, it increases supply reliability and supports volume growth.

Nutrien trades at \$104.84 per share (+8.1% year to date) and pays a 2.4% dividend. The yield is modest but has grown by 15% between 2018 and 2021. Based on market analysts' forecasts, the share price could climb by 26.3%, on average, in one year.

Champion in food innovation

Minnesota-based SunOpta produces grains and fruit-based products. The \$1.1 billion mineral and organic foods company focuses on organic, non-genetically modified (non-GMO) and specialty foods. Its core business segments, Plant-Based Foods & Beverages and Fruit-Based Foods & Beverages, are the revenue generators.

SunOpta recently opened its plant-based beverage production facility in Midlothian, Texas. The new US\$125 million mega-facility will manufacture a suite of plant-based milk and creamers, including tea and other products. Its CEO, Joe Ennen, said, "This plant is an important part of SunOpta's long-term

goals and a powerful next step in our company vision.”

Ennen says the fully-equipped and state-of-the-art facility will enhance our manufacturing and supply chain capabilities. With the new plant, SunOpta’s plant-based business could double by 2025. If you invest today, the share price is \$10.12.

Food infrastructure

Agri-businesses can only flourish or feed the world with solid infrastructure support. Ag Growth International (AGI) manufactures portable and stationary grain handling, storage and conditioning equipment, and related accessories. The \$1 billion company also plans, engineers, and manufactures solutions and systems for fertilizer, seed, grain, feed, and food.

Management said its products, equipment, and technology grow crops and help facilitate their movement to global markets for processing into feeds for human and animal consumption. AGI has 31 manufacturing facilities in Brazil, Canada, France, India, and the United States.

AGI provides food infrastructure to the entire supply chain. Moreover, its equipment and solutions are entrenched in the agriculture sector, and essentially connect the farm and the plate. The commercial business segment boasts large-scale storage and movement of grain through the food supply chain.

Given the large addressable markets and secular growth trends, there’s significant room for growth. Besides the exposure to several multi-billion dollar growing industries, AGI has growth opportunities in emerging economies. Current investors enjoy a 24% year-to-date gain (\$\$53.78 per share) on top of the 1.11% dividend.

Buy and hold

Farming stocks are ideal options for investors looking for inflation protection or wanting to diversify. Nutrien, SunOpta, and AGI are **TSX** stocks you can buy and lock in forever.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:NTR (Nutrien)
3. TSX:SOY (SunOpta Inc.)

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Date

2025/07/19

Date Created

2023/02/14

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