



Which Ontario Cannabis Companies Are Challenging for 2nd Behind Canopy Growth Corp (TSX:WEED)?

Description

Canopy Growth ([TSX:WEED](#))(NYSE:CGC) is the unquestioned cannabis champion of Ontario, yet there are a few other Ontario companies that could challenge for second place. **Aleafia Health** (TSX:ALEF), with its [recent acquisition of Emblem Cannabis](#), is one company that could potentially challenge for a top-tier position among Ontario LPs.

In Aleafia's video manifesto, it asks the question, "What does it mean to grow?" To Aleafia, the word *growth* is not relegated to the realm of marijuana flower production alone. Aleafia has established a vertically integrated company that focuses on health and consumer wellness; it is dedicated to providing the best patient experience possible.

Focusing on cannabis research and development to establish cannabis as an alternative to opioids, alcohol, and other harsh drug addictions, the company states that in 2017 the global prescription opioid market was \$23 billion and it has clinically proven that "45% of patients stopped using Benzodiazepines after medical cannabis treatment."

The Government of Canada has announced that Canada is facing an opioid crisis, and Aleafia's Canabo Clinics are at the forefront of this war. Canabo Medical Clinics are the largest network of referral-only cannabis clinics in the country with 20 locations "from St.John's to Kelowna" and are already servicing tens of thousands of patients with plans to expand.

Recently, Aleafia has announced that it has completed phase one construction of its Niagara Greenhouse and plans to complete phase two by early Q2. This will be in addition to its indoor and outdoor production facilities in Port Perry. The company's total assets as of September 2018 were \$76 million with a gross profit of \$3.1 million, while its stock price is up 60% since January 1, 2019.

Aleafia has been named **TMX Group's** 2019 TSX Venture 50 Top Performing Company of the Year. Aleafia may likely be the best pick for the near future, but there are two other companies that cannabis investors should keep an eye on.

The first company is **Green Organic Dutchman** (TSX:TGOD) and, after a rough end to 2018 and the cancellation of two major agreements, the company looks to have rallied after the announcement of a secured supply agreement with the province of Ontario.

TGOD also owns 49% of Epican Medicinals, a Jamaican vertically integrated cannabis company, allowing it access to the Jamaican market. TGOD has facilities in Quebec and Ontario, plans to be operational by the summer of 2019, and is also looking to expand into European markets. TGOD stock is up 40% since January 1, 2019, but it is still not making any significant income and most likely will not until late 2019.

Canopy Rivers ([TSX:RIV](#)) is the other stock I want to highlight. Many have referred to this stock as “Canopy Growth 2.0,” and for good reason. Canopy Rivers is actually a subsidiary of Canopy Growth and is more of a financing and development company.

Rivers acts like a hedge fund for smaller cannabis companies to utilize their growth potential and partner with Canopy. This enables them to share in the growth of these companies and help to fill supply agreements. Smaller cannabis companies like James Wagner Cultivations, LiveWell, and TerrAscend partner with Rivers and gain access to a network of affiliated companies that work together to develop and execute their individual goals.

Canopy Growth has pledged another \$30 million to Rivers and has upped its shares 0.56% in Rivers, showing its desire to continue supporting its sister company.

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Date

2025/08/27

Date Created

2019/03/06

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