



## 2 Canadian Pot Stocks Uplisted to the Nasdaq: Which Is a Better Buy?

### Description

When comparing these two companies, the first thing to point out is that Organigram has much lower costs and higher production rates than Flowr. Organigram utilizes a three-tiered indoor grow system that enables the company to post industry-leading adjusted gross margins and the lowest cultivation costs in the country.

Organigram not only leads all Canadian cannabis producers with the lowest production costs, but it also recently received organic certification from Health Canada. This makes the company one of the largest producers of organic cannabis in Canada with an expected 113,000 kg of annual capacity by the end of 2019.

In comparison, [Flowr has much higher costs](#) and is banking on branding high-quality products that are expected to return much higher prices. FlowrRX, Flowr's medical cannabis brand, is exclusively distributed by Shoppers Drug Mart and is the highest-priced cannabis sold by Shoppers.

### Premium dried flower and derivatives

It may be the highest-priced cannabis on the market, but it is also more potent and of higher quality than most other products in Canada. Flowr argues, "high price is not what is driving consumers to the black market; poor quality is."

Flowr is the only legal cannabis supplier in Canada that can produce dried flower that passes Health Canada testing "without the need for a decontamination 'kill step.'" Decontamination is a process where irradiation is used to reduce microbes to acceptable levels.

This makes the company stand out from the rest of the pack — something that helped Flowr gain an R&D partnership with one of the largest agricultural companies in North America: **Scotts Miracle Gro.**

Organigram may not be able to match the higher quality of Flowr, but it certainly has many advantages over its smaller competitor. Organigram is making large investments into CBD oils, edibles, and vaporizer technology.

In the fall of 2019, Organigram is expected to have an [annual production](#) of four million kgs of chocolate edibles and have invested \$15 million into the project. The company is partnering with Canada's Smartest Kitchen to assist in the production of cannabis-infused chocolate and to expand R&D into edibles.

When it comes to branding, both companies have made some interesting agreements. Flowr is working with the makers of Ace Hill Beer to develop Ace Valley, a luxury cannabis brand. Organigram has partnered with Canadian pop-culture icons the Trailer Park Boys to develop Trailer Park Bud.

## Foolish bottom line

Both of these stocks have great potential. In the end, both of these companies will likely do very well. Flowr will likely dominate the premium high-grade market and has been working to reduce its production costs, which could put it over the top.

Organigram already has the lowest costs in the industry and is set to reach well over 100,000 kg of annual production in 2019. The company is set to burst into the edibles market in the fall of 2019 and is actively seeking beverage companies to partner with.

Overall, Flowr will do well catering to its niche market and may even be profitable, but it cannot match Organigram production or derivative sales. This could change if Holigen Global Health receives licensing to begin production in its Alentejo facility in Portugal.

Flowr owns 19.8% of Holigen, which is building the largest cannabis-cultivation facility in the world. Once licensed and fully operational, Alentejo will produce 635,000 kg of cannabis annually.

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2. TSXV:FLWR (Flowr)

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