

Farm Bill 2018: Cannabis Stocks to Own Right Now

North America is about to experience one of the biggest economic booms in history.

All thanks to the cannabis industry.

Granted, it may be a controversial topic for some.

But, it's tough to overlook the industry's potential to generate up to \$20 billion in sales by 2022 from just \$800 million this year.

And, it's tough to overlook the fact that it could become legal across the U.S. on January 1, 2019, sparking massive growth in the cannabis space.

All it needs is a signature from President Donald Trump, expected this week.

Senate Approves \$867 Billion Farm Bill

Congress just voted to approve a \$867 billion farm bill with a vote of 386-47 in the House. The Senate approved it with a vote of 87-13.

The biggest benefit of the bill – it will legalize the production, sale, and distribution of industrial hemp – a form of cannabis without the intoxicating properties. Congress will also remove hemp as a Schedule I drug under the Controlled Substances Act.

But... that's just the start.

Much of the push to legalize hemp also comes from the fact that it contains CBD, the "miracle" cannabis compound that holds multiple health benefits.

All the \$20 Billion Industry Needs Now is President Trump

Once the President signs the farm bill, which he's widely expected to do, consumers could soon see more hemp-infused beer, food, health, supplements, medications, beauty aids, and clothing.

And, it'll quickly disrupt countless, multi-billion-dollar industries.

The medical community is studying it for a variety of ailments – pain, nausea, loss of appetite, Parkinson's disease, inflammatory bowel disease, post-traumatic stress disorder, epilepsy, and multiple sclerosis and even traumatic brain injuries – the list goes on.

Cigarette maker Altria just took a 45% stake in Cronos Group, as it seeks to diversify its business, as cigarette smoking falls to its lowest point in history.

Alcohol companies like Constellation Brands invested \$4 billion in Canopy Growth.

"We believe alcohol could be under pressure for the next decade, based on our data analysis covering 80 years of alcohol and 35 years of cannabis incidence in the US," analysts at Cowen noted, as quoted by CNBC. "Since 1980, we have seen 3 distinct substitution cycles between alcohol and cannabis; we are entering another cycle."

It's also disrupting a \$3.7 trillion global wellness industry.

In fact, the healing properties of marijuana are why spa, wellness and skincare industries are introducing a range of products with cannabis as a key ingredient.

Hot Stocks to Watch

Once the President signs the farm bill into law, the market could explode in size.

We are already seeing movement in related stocks. For example:

In response to the Senate's passage of the bill, New Age Beverage (NBEV) noted that its CBD products, which include a CBD water, a CBD tea, and a CBD shot, are Farm Bill compliant. Even better, the company is prepared to roll out its CBD products nationally. The company also secured commitments from retailers and distributors at more than 125,000 distribution points, and expects distribution to begin as soon as January.



Aurora Cannabis (ACB) – the first cannabis stock to be listed on the NYSE could benefit from the farm bill as well after launching its line of CBD Softgel capsules, which could generate over \$100 million in annual sales.

Most investors in the cannabis space are well aware of Canopy Growth (CGC). Interesting to note, U.S. legalization of hemp will now allow the company to enter the U.S. market with hemp-derived products, including beverages with its partner, Constellation Brands.

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All it needs is a signature from President Donald Trump, expected this week and the industry could explode. Stay tuned for more on this developing story. It's a hot one!