



EDD

ECONOMIC
DEVELOPMENT
DEPARTMENT

FOR IMMEDIATE RELEASE:

Contact: Bruce Krasnow

Bruce.Krasnow@state.nm.us

(505) 827-0226, cell: (505) 795-0119

Gov. Michelle Lujan Grisham
Cabinet Secretary Alicia J. Keyes
Deputy Secretary Jon Clark

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EDD invests in Las Cruces hemp manufacturing firm 420 Valley will hire 55 employees for mid-2020 production

Santa Fe, N.M. – The New Mexico Economic Development Department has pledged to invest \$400,000 in a hemp production and processing business in Las Cruces that will help farmers grow the plant and then manufacture from its ingredients.

The commitment to 420 Valley LLC represents a continuing effort by Gov. Michelle Lujan Grisham and Economic Development Department Cabinet Secretary Alicia J. Keyes to target sustainable agriculture and other economic sectors that are suitable for growth and can help diversify the economy. The company plans to hire 55 employees over three years.

"Hemp production and sustainable agriculture are essential components of our mission to expand New Mexico's economy," Gov. Lujan Grisham said. "We must think broader than one industry and one industry alone; we must create opportunity for New Mexico entrepreneurs and residents of all ages who are eager to find fulfilling work and launch sustainable careers. And through our Economic Development Department and other key initiatives we will do exactly that."

"Agriculture and related enterprises have always been part of the economic base in Southern New Mexico and the new hemp laws that give farmers more options is a tremendous boost to the region," said Cabinet Secretary Alicia J. Keyes of the Economic Development Department.

420 Valley is a new vertically integrated CBD products supplier that will cultivate hemp then extract and refine the oil into manufactured products such as oil, pens, edibles and topical ointments. The business is set to begin hiring employees in early 2020 who will earn an average of over \$33,000 annually. The company's payroll is expected to be \$2 million in three years.

The company founders have already worked with farmers in Deming to successfully grow and harvest hemp in 2019 and are currently consulting with an indoor grow facility in Las Cruces and a manufacturing facility in Socorro, said 420 Valley co-founders Rick Morales and Scott Bannister, who have partnered in other Las Cruces-area businesses.

"The investment by the state will help us become an industry-leader in the blossoming extraction industry as well as create more than 50 jobs in Dona Ana County," Morales said.

420 Valley has signed an agreement to purchase a vacant 13,000-square-foot building in Las Cruces and expects to have occupancy by January, pending inspections and fire and safety improvements.

“The building has been an eyesore and this investment will allow us to take that building and make it suitable and useable. It will revive the community,” said Morales.

The \$400,000 state investment comes from the Local Economic Development Act (LEDA), a closing fund established by the Legislature to help with business growth, relocation and expansion. The city of Las Cruces has also pledged \$150,000 for the project.

Las Cruces Mayor Ken Miyagishima said the new hemp business will help the region become a national leader in hemp manufacturing.

"We are excited to help support the growth of innovative local companies such as this one in Las Cruces that help to diversify our economy with well-paying job opportunities. Las Cruces is truly on the cusp of becoming a leader in growing a thriving industrial hemp industry."

Technical assistance for the project was provided by the Mesilla Valley Economic Development Association. “This announcement not only further showcases the growing hemp industry in Las Cruces but also the opportunities the industry is creating for local entrepreneurs,” Association Executive Director Davin Lopez.

The announcement is the second major agricultural initiative funded by the EDD in Dona Ana County. In May the state pledged up to \$2 million in assistance to Rich Global Hemp, which took over a greenhouse business in La Mesilla and plans to hire 180 employees.

LEDA grant money is tied to certain job-creation benchmarks and funds will be distributed to 420 Valley over a three-year period. The business has promised to have 55 employees by Dec. 31, 2023.

Media wishing to interview the business can contact rickmorales@msn.com or 703-906-1613

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The New Mexico Economic Development Department's mission is to enhance and leverage a competitive environment to create jobs, develop the tax base and provide incentives for business development.

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