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## **Governor Susana Martinez Welcomes California-Based Flagship Food Group Expansion in New Mexico, Creating 300 New Jobs**

*NM's Increased Tax Competitiveness, Business-Friendly Environment Continue to  
Show Results*

**Albuquerque** - Today Governor Susana Martinez welcomed California-based food producer Flagship Food Group to Albuquerque as they expand to New Mexico. New Mexico Economic Development Department (EDD) Cabinet Secretary Jon Barela, Albuquerque Mayor Richard J. Berry, Bernalillo County, Albuquerque Economic Development, and company representatives joined Governor Martinez for the announcement.

"We are proud of Flagship Food Group becoming our latest partner in growing our private-sector economy," said Governor Martinez. "We are working hard to promote growth and attract new investments, and our business environment is becoming much more competitive as a result of these reforms."

Flagship plans to hire 155 employees in Albuquerque over the next year, with an additional 145 over the next few years, for a total of 300. These positions will have an average annual salary of nearly \$30,000. Additionally, Flagship buys more than 2.5 million pounds of New Mexico's famous Hatch Green Chile annually.

"We look forward to our New Mexico expansion, as New Mexico has an extremely talented workforce and newly improved tax climate for manufacturing and exporting," said Rob Holland, CEO of Flagship Food Group. "Gov. Martinez, Secretary Barela, Mayor Berry and the Bernalillo County Commissioners have shown a genuine interest in our company and we are thrilled to be in this state."

In June, Governor Martinez also announced that Franco Whole Foods, another Southern California food producer, is expanding to Las Cruces. Another California manufacturer, DHF Technical Products, just relocated to Rio Rancho. In Santa Teresa, Southwest Steel Coil, a California steel manufacturer, has more than doubled their workforce in New Mexico because of the state's increasingly business-friendly policies, which have become more competitive than California's. Even international manufacturers are taking notice, with two recently setting up shop New Mexico, one from Germany and one from Turkey. And New Mexico family-run manufacturing businesses from Farmington to Los Lunas to Santa Fe are significantly expanding their businesses because of our tax reforms.

New Mexico EDD will provide \$150,000 to help upgrade Flagship Food Group's new manufacturing facility on Desert Surf Circle in Albuquerque.

"New Mexico has been working hard to diversify its private-sector economy and value-added food production is an area of natural growth for our state," said Secretary Barela. "This industry provides well-paying jobs and brings new dollars into the state through its exports."

In 2011, professional services firm Ernst & Young rated New Mexico third worst in the region for taxing manufacturers. In 2013, Governor Martinez enacted critical tax reforms such as allowing manufactures the option of paying corporate income tax on goods sold only in New Mexico, and reducing New Mexico's corporate income tax by 22 percent, from 7.6 to 5.9 percent over five years, making New Mexico more competitive with other Western states. Governor Martinez also eliminated "tax pyramiding," an unfair practice which often resulted in double and triple taxation of finished projects in the construction sector. In January 2014 Ernst & Young upgraded their rating of New Mexico's taxation of manufacturers to best in the west.

Based in California, Flagship Food Group is a global, diversified food company serving some of the world's leading and most highly-regarded retail, grocery, foodservice, and food-related organizations. They distribute their products, including brands such as Chris & Pitts BBQ, TJ Farms Select, Comida del Sol, and 505 Southwestern, at retailers like Costco and Albertson's. Flagship has operations in the U.S. and Europe, over 1 million square feet of production, research and development, and office space, as well as a team of customer service, sales, development, and support personnel in six time zones around the globe dedicated to serving customers and becoming one of the world's premier diversified food service businesses.

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