

# Burgeoning hemp industry takes root in southern NM

---

BY STEPHEN HAMWAY / JOURNAL STAFF WRITER

Published: Wednesday, February 26th, 2020 at 3:41pm

Updated: Wednesday, February 26th, 2020 at 9:20pm



Natural ReLeaf, a Doña Ana County-based hemp-growing company, is expanding in Las Cruces. (Courtesy Natural ReLeaf)

*Copyright © 2020 Albuquerque Journal*

A southern New Mexico hemp company has announced a significant expansion in Las Cruces, a sign the region's small but growing hemp industry is starting to blossom.

The state Economic Development Department announced this week that Natural ReLeaf, a group that began growing hemp in Berino last year, is planning to bring on more than 50 new employees, and add capacity to extract CBD, the compound most associated with the hemp industry's rapid growth.

"We love Las Cruces; we believe in it," said Nicole Fuchs, public relations manager for Natural ReLeaf. "And we recognize that it is a really fertile time for the industry."

## **Growth industry**

The expansion is another victory for southern New Mexico's burgeoning hemp industry, which local economic development groups have targeted as a growth sector. Natural ReLeaf is the third large and diversified hemp company that has expanded or relocated to Las Cruces with backing from state and local funding, after Rich Global Hemp and 420 Valley began growing in the city last year.

The Economic Development Department announced it has committed \$600,000 in Local Economic Development Act funding to Natural ReLeaf to help the company expand and eventually bring on 56 employees, ranging from warehouse supervisors to farmers. The public funding will be matched by \$5.3 million in private investment, according to the Economic Development Department.

In total, if the three companies fulfill their requirements for funding under the Local Economic Development Act, they are expected to contribute 261 jobs, which would generate \$4.3 million a year in state tax revenue, according to numbers from the Mesilla Valley Economic Development Alliance.

The production of hemp – cannabis without the psychoactive qualities associated with marijuana – was legalized federally with the passage of the 2018 Farm Bill, before New Mexico added its own rules and regulations in 2019.

Lopez said MVEDA recognized the hemp industry could succeed in southern New Mexico, given the region's long, sunny summers and deep agricultural roots.

"We started seeing a number of entrepreneurs in the region getting more interested in the hemp industry," Lopez said.

## **Expansion-minded**

Natural ReLeaf was one of those companies. Fuchs said the company converted three chicken coops in Berino into grow houses for its endeavor and ultimately harvested nearly 10,000 pounds of hemp in its first year of operation.

In addition to scaling up its growing operations, Fuchs said the company wanted to expand into other areas of the hemp industry. She said Natural ReLeaf is opening a new manufacturing facility and dispensary at 3497 Bataan Memorial West on Thursday. The new location will be Natural ReLeaf's second dispensary in Las Cruces, while giving the company a CBD extraction facility. Fuchs said the company intends to have a food-grade lab and commercial kitchen, and plans to produce CBD-infused products ranging from lotions to bath bombs.

"We've been hearing a lot of requests for pet products," she said.

The company also plans to extract hemp grown by other farmers, which could help solve a persistent problem in New Mexico's hemp industry. Fuchs said she knows of just 12 extractors currently operating in the state, which contributed to a glut of hemp with no end market during the state's first harvest.

"We do have farmers in the state, and they're not quite sure what to do with (their hemp)," Fuchs said.

Lopez said the dropping price of CBD oil means adding extractors will provide a valuable service to the region's existing hemp growers and could help southern New Mexico develop a full-fledged industry ecosystem.