

Preparing for Upcoming Federal Hemp Changes

Last November, President Trump signed a federal spending bill that changed the definition of hemp, effectively banning hemp products containing more than 0.4 mg of THC per package. Subsequent legislation calls for this change to take effect beginning Dec. 11, 2026, unless other federal action occurs.

However, this federal definition change does not change how Minnesota law defines lower-potency hemp edible (LPHE) products and LPHE retailers, manufacturers and wholesalers, or the legality of those products in the state.

OCM cannot provide hemp businesses with business or legal advice, and we recommend speaking with legal counsel before making decisions. This document lays out information that may be helpful to businesses as the planned federal law change approaches.

Business considerations to weigh with legal counsel



Limited access to federally insured banking and financial services



Limited point of sale services



Restrictions on federal tax deductions



Limitations on interstate commerce[†]

Decisions to make



Stay in the hemp market



Exit the hemp market



Prepare for annual license renewal



Enter the adult-use cannabis industry



Conditionally surrender license*



Surrender your hemp license



Allow your license to expire

**If transitioning hemp operations to different business entity*

Available support from OCM



Read the August 31 email from OCM



Review resources on the OCM website
†including Guidance Memo 2025-02



Attend the OCM Hemp Forum

Other action items



Consult with business and legal advisors



Follow relevant federal bills



Contact members of Congress



For more information, visit mn.gov/ocm/federal-hemp-ban

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