



LPHE and Beverages

October 2025

Mission & Vision



Mission: To foster an equitable cannabis industry that prioritizes public health and safety, consumer confidence, and market integrity.

Vision: Minnesota is the standard of excellence in cannabis legalization.

CIRCLE of Values:

Collaboration. We work together with internal teams, advocates, and the community to achieve common goals. We value diverse perspectives and leverage collective expertise to tackle challenges effectively.

Integrity. We uphold ethical standards and honesty in all our actions and decisions. We are transparent and responsible, building trust through our commitment to integrity.

Responsiveness. We are proactive and attentive to the needs and concerns of our community and stakeholders. We address issues promptly and adapt to enhance our relationships and effectiveness.

Community. We prioritize equity in our policies and practices, ensuring that all community members are protected from harm and have access to health and safety resources. We create an inclusive environment that fosters support and well-being for all.

Learning. We prioritize continuous education and knowledge sharing within our organization and with our external partners. We empower individuals to stay informed, innovate, and make informed decisions based on shared knowledge.

Empowerment. We encourage and enable our staff and stakeholders to take initiative and contribute meaningfully to our agency's continuous improvement. We foster a culture of ownership and engagement that leads to improved morale and productivity.

About the Office of Cannabis Management (OCM)

OCM is charged with:

- Developing and implementing the operational and regulatory systems to oversee the adult-use cannabis industry, the medical cannabis program, and the consumer hemp-derived cannabinoid industry.
- Launching an effective, safe, equitable, and sustained cannabis industry.

The Office of Cannabis Management will release applications, issue licenses, and develop regulations outlining how and when businesses can participate in the new adult-use industry in Minnesota. Over the last year, the OCM has been developing the regulatory framework for legal adult cannabis and establishing processes and timelines to apply for licenses.

Agenda



Overview of LPHE Market



Application and Licensure Process



Transition Period



Feedback Concerns and Next Steps

Launching the Lower-Potency Hemp Edible Market



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HF100 Structure

- As originally passed, in May of 2023, HF 100 set out a regulated dual Cannabis-Hemp Supply Chain with substantial statutory overlap, including:
 - In state testing of all THC products to be sold in Minnesota [342.61, subd. 1]
 - OCM 2024 session: created exception for LPHEs to use ISO cert labs through 2025
 - OCM 2025 session: created variance for labs to apply pre-ISO cert.
 - Required all cannabinoid products (LPHE and Cannabis) to disclose name and license numbers for suppliers and the information must be on the physical container. [342.63]
 - Required all cannabinoid products to have the universal symbol and warning symbol developed by the office (in rules). [342.63]
 - OCM published final rules draft for public comment on January 13, 2025.
 - OCM published final adoption of rules on April 14, 2025.
 - OCM published technical testing standards following rule adoption.

Building of a transition period

- HF100 originally sunset the current hemp statutes effective March 1, 2025
 - OCM 2024 Legislative Session: repealed the sunset to allow current operators to continue to operate and create a transition period
- Originally, no authority to continue operations after sunset, pre-license
 - OCM 2024 Legislative Session: created Hemp Business Conversion allowing current hemp registrants ability to operate current business while LPHE license application is pending

Launch of Hemp Market

- OCM has forecasted since February of 2025 that Hemp Licensing would begin in the fall of 2025:
 - February 4 and 18, 2025, in announcement of cannabis licensing windows opening: “Applications for cannabis event organizer licenses will be accepted later this summer; applications for **lower-potency hemp edible manufacturer licenses and lower-potency hemp edible retailer licenses will be accepted in the fall.**”
 - February 12, 2024, in the cannabis compliance connector (which is sent to all hemp registrants): “Once OCM issues **lower-potency hemp edible licenses, approximately six months after OCM adopts rules,** all LPHEs will have to comply with potency, packaging, and testing requirements in Minnesota Statutes, Chapter 342.”
 - May 5, 2025, in announcement of cannabis lottery dates: “Applications for cannabis event organizers and **lower-potency hemp edible manufacturers and retailers will follow later this year.**”
 - May 27, 2025, in announcement of hemp registration extension: “OCM also announced that starting **October 1 and continuing through October 31, it will accept business license applications for three license types: lower-potency hemp edible retailers, lower-potency hemp edible manufacturers, and lower-potency hemp edible wholesalers** – the last of which is a new license type approved by the 2025 Legislature and signed into law by Governor Tim Walz on Friday, May 23.”

In preparation of LPHE licensing

While conducting the cannabis business licensing window, the OCM staff previewed and prepared for the licensing window and hemp market conversion by:

- Launching the *Hemp Registrant to License Holder Conversion Guide & Hemp Businesses in Minnesota: A guide for lower-potency hemp edible license applicants* – *May 9*
- Reopening the registration for hemp-derived cannabinoid businesses – *May 27*
- Posting the Product Transition Period – *July 2*
- Posting the Packaging and Labeling Guide – *August 8*
- Launching additional licensing support documents - *September 19*

Lower-Potency Hemp Edible License Application Process

From Start to License: Your Path to Lower-Potency Hemp Licensing in Minnesota



Before you begin:

Multiple license types require multiple applications. Follow this path for each lower-potency hemp edible (LPHE) license type for which you apply.

Engage with your local government. Businesses are responsible for ensuring compliance with local regulations and zoning. Prepare for the local retail registration process.*

Start here! Step 1. Application Completion

Create your Accela account.
(Accela is OCM's business licensing system)

Review OCM's application guidance and prepare your required application documents.

Select the appropriate LPHE license type application for the activities that you wish to engage in.

Visit [OCM's Available License Types webpage**](#) for permitted activities under each license type.

Begin your application. Enter in all business owners, the required information and attach required documentation.

Enter the number of sites desired.

Register each of your sites in Accela and upload your final plan of record for each site.

Step 2. Application Fee Payment

Pay your application fee in Accela.
Fee varies based on your license type.

Step 3. Application Review

OCM conducts pre-licensure inspection, if applicable.

OCM reviews your application and all registered sites.
Review process differs based on license type.

Step 4. License Fee Payment

OCM invoices the business.

Pay your license fee in Accela.
Fee varies based on your license type.

Step 5. License Issuance

OCM issues your LPHE business license.

View and print the license for each individual site within the attachments in Accela.

LPHE retailers must obtain retail registration from your local government directly before beginning operations.

You are now a **license holder** and may begin operations.*

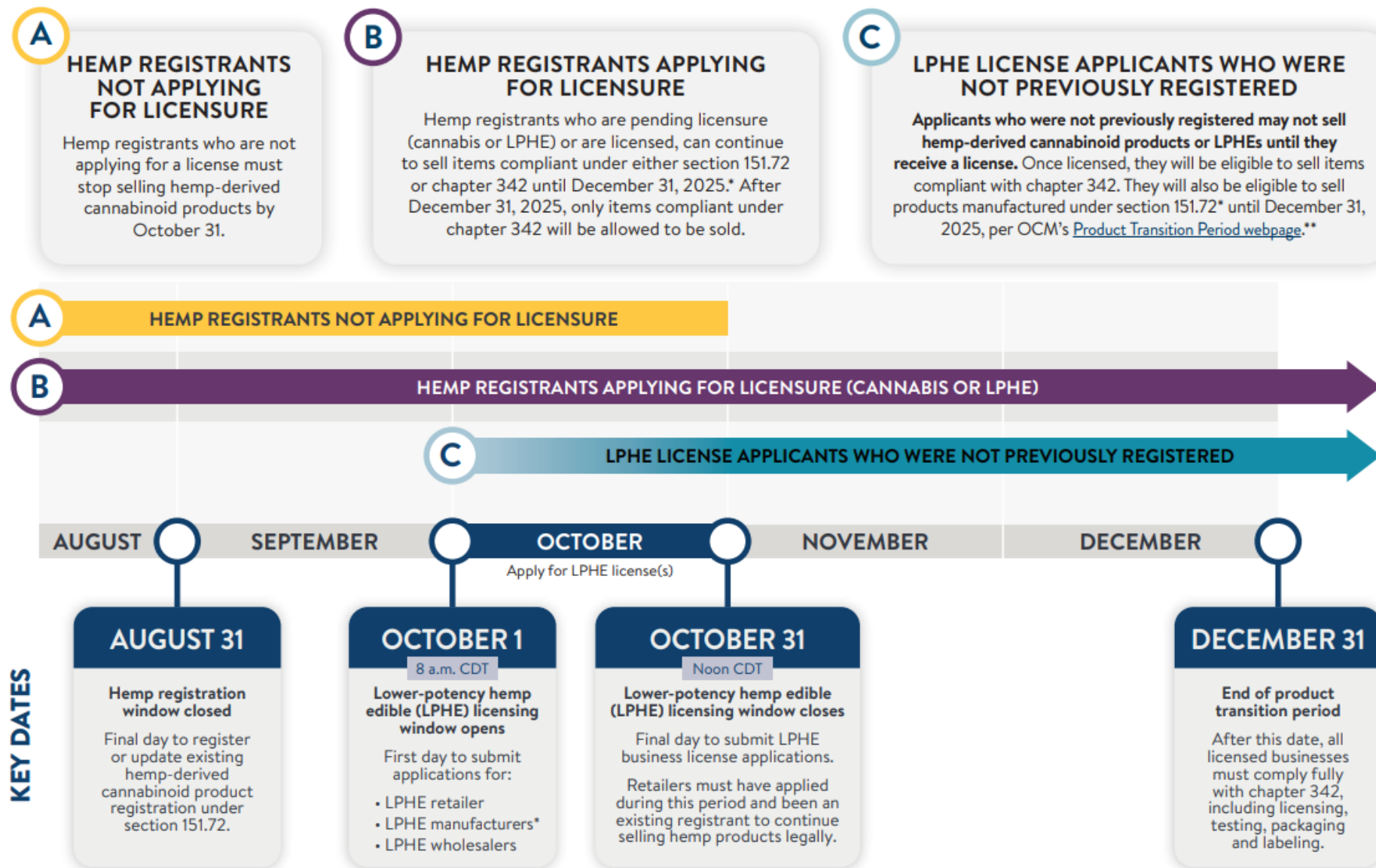
* For LPHE retailers, you must obtain retail registration from your local government directly (in addition to your license) before selling LPHEs. Local governments can only issue local retail registration once you have been issued a license from OCM. Local governments may not limit the number of local retail registrations they issue to LPHE retailers.

** You can find OCM's Available License Types webpage at mn.gov/ocm/businesses/licensing/license-types.jsp.

Learn more about the licensing process at
mn.gov/ocm/businesses/licensing



LPHE Business Operations Timeline



* LPHE manufacturers, upon receiving their license, must only produce and sell products that are compliant with chapter 342.

** You can find OCM's Product Transition Period webpage at mn.gov/ocm/businesses/product-transition-period.jsp.



Lower-Potency Hemp Edible Product Transition



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Product Transition Period

- **Cannabis Retailers:**

- OCM has authorized license holders conducting retail sales under [chapter 342](#) to sell products tested and packaged according to [151.72](#) through the end of the year.
- On January 1, cannabis retailers will need to sell products packaged and tested according to 342.
- Products tested prior to January 1, 2026, and packaged according to 342 may stay on shelves until the products expiration date or sale to a consumer (including product tested under 151.72).

- **Hemp Manufacturers/Wholesalers:**

- **Pending Application:** Manufacturers and Wholesalers may continue to manufacture and package consistent with 151.72.
 - **RECOMMENDATION:** Begin 342 compliant packaging now (universal and warning label) with blank space to add sourcing information
- **Upon Licensure:** Manufacturers and Wholesalers **must** test and package consistent with 342.

Product Transition Period, hemp retail clarifications

Pre-Licensure, Pre Jan 1, 2026:

- **Hemp Registrants:** Under MN statute, operate as 151.72 with no change to requirements. May sell 342 compliant LPHEs.
- **Non-Hemp Registrants:** Cannot Operate until licensure.

Pre-Licensure, Starting on Jan 1, 2026:

- **Hemp Registrants:** Under MN statute, operate as 151.72 with no change to requirements. May sell:
 - 342 compliant LPHEs
 - Products manufactured and tested under 151.72 standards that have updated packaging (universal and warning) and have not reached expiration date.
- **Non-Hemp Registrants:** Cannot Operate until licensure.

Product Transition Period, hemp retail clarifications

Post-Licensure, Pre Jan 1, 2026:

- LPHE-Rs may sell products tested and packaged according to [151.72](#) through the end of the year;
- LPHE-Rs may sell products packaged and tested according to 342, including products tested to 342 standards at out of state lab prior to January 1, 2026; and
- LPHE-Rs may sell products tested prior to January 1, 2026 (in state or out) under 151.72 and packaged according to 342 until the products expiration date or sale to a consumer.

Post-Licensure, Starting on Jan 1, 2026:

- After January 1, LPHE-Rs will need to sell products packaged and tested according to 342;
- Products tested to 342 standards at out of state lab prior to January 1, 2026, may stay on shelves until the products expiration date or sale to a consumer if packaged consistent with 342;
- Products tested prior to January 1, 2026, under 151.72 and packaged according to 342 may stay on shelves until the products expiration date or sale to a consumer.

A Helpful Chart

	Pre-January 1 151.72 Tested and Packaged	Pre-January 1 151.72 Tested and 342 Packaged	Pre-January 1 342 Tested and 151.72 Packaged	Pre-January 1 342 Tested and Packaged	Starting on January 1 151.72 Tested and Packaged	Starting on January 1 151.72 Tested and 342 Packaged	Starting on January 1 342 Tested and 151.72 Packaged	Starting on January 1 342 Tested and Packaged
Non-Registrant Applicant	NOT ALLOWED	NOT ALLOWED	NOT ALLOWED	NOT ALLOWED	NOT ALLOWED	NOT ALLOWED	NOT ALLOWED	NOT ALLOWED
Registrant Applicant, LPHE Retailer Licensee, and Cannabis Retailer	ALLOWED	ALLOWED (May be labeled “Manufactured under Minnesota Statutes 151.72”)	ALLOWED	ALLOWED	NOT ALLOWED	ALLOWED (If tested prior to Jan. 1, 2026 and labeled “Manufactured under Minnesota Statutes 151.72”)	NOT ALLOWED	ALLOWED (including Out of State testing done prior to Jan. 1, 2026)

151.72 Tested and 342



Manufactured under Minnesota Statutes 151.72

Feedback and Concerns

Questions and Concerns

Is there any way for applicants to get a temporary license number while their application is pending?

- Yes, application numbers in the October window align with the licensing number.
 - LPHE Manufacture Application # LPMFR-A25-000001 → License # LPMFR-L25-000001

Can labels use QR codes to show information?

- Per Minnesota Statutes section 342.63, required information has to be affixed to the label. A QR code would not suffice. This is a change in law from section 151.72. A QR code could still be utilized to show additional information, like a COA. Section 342.63 requires confirmation of testing, but does not require the specific COA – it has to be available upon request. To amend the law to allow QR code use for required label information, it would require a legislative change.

Questions and Concerns

How do I adhere to the labeling requirements if manufacturers or cultivators are out of state and do not have Minnesota license numbers?

All LPHE products imported into the state or containing products manufactured or cultivated from out of state must be labeled in a manner that provides customers substantially similar information to the requirements applicable to LPHE products under Minnesota Statutes Chapter 342 and section 342.63. The labels must include:

- If sourcing hemp parts or hemp concentrate from an industrial hemp grower: the license number of the industrial hemp grower, regardless of state of origin.
- If the state of origin licenses the manufacturer: the name and license number of the out-of-state business that manufactured the hemp concentrate, or artificially derived cannabinoid; and, if different, the name and license number of the cannabis out-of-state business that manufactured the product.
- If the state of origin does not issue licenses for hemp products: the name of the business, the business address, and state/country of origin.

Questions and Concerns

(Cont.) How do I adhere to the labeling requirements if manufacturers or cultivators are out of state and do not have Minnesota license numbers?

Pursuant to MN Rules part 9810.1401, all hemp-derived consumer products imported into the state must be labeled in a manner that provides customers substantially similar information to the requirements applicable to hemp-derived consumer products under MN Statutes Chapter 342 and section [342.63](#). In addition, the following information on the label:

- the state of the product's origin; and
- the name and business address of the product's manufacturer.

MN statute section 342.61, subdivision 1, a representative sample of each batch of product must be tested by a MN licensed testing facility beginning January 1, 2026. Testing must be completed and must comply with the technical standards, available [here](#), before sales of the batch are permitted.

Questions and Concerns

Chapter 342 includes different requirements from section 151.72, how can businesses adapt?

- Understanding business practices will need to change from current practices in order to meet these new compliance requirements, there are options that may be relevant for businesses.
- For packaging to be used for multiple batches, a space could be reserved for an adhesive label that would contain the info that changes from batch to batch. Many manufacturers already add batch-specific information such as batch number and expiration date via laser printing or stamping, and that method could also be utilized for this information as well. The rules allow the use of a marketing layer, allowing additional flexibility in updating packaging after bulk purchases.
- Beverage manufacturers can also package cans in a box if adding an adhesive label to the marketing layer.
- The marketing layer of a label specifically refers to the outermost layer of a retail sale container, such as a bag or box that the package containing the product is placed in, that is predominantly apparent and visible. If the container consists of only a single layer, then the outer surface of the container is the marketing layer. Information required to be displayed on this layer must not be obscured in any way, including under a peel away panel.

I am concerned about the delay between getting licensed and obtaining retail registration. What can I do?

- OCM has been encouraging local governments to set-up/clearly communicate their local retail registration process to prepare applicants for this. Additionally, while retail registration can only be issued at the point of licensure, OCM has been encouraging both local governments and LUGs to initiate the process while licensure is pending, to ensure that it can be completed promptly.
- We encourage everyone to continue talking to their local governments to understand their local process and communicate their business plans.

Can LPHE manufacturers be allowed to have a product transition period?

- The product transition periods scope extends to only retail activities. Hemp-derived manufacturing businesses should prepare for the transition to licensure and assess stock and sell any remaining product that is not compliant with chapter 342 before licensure.
- As it did in cannabis licensing OCM is bifurcating review of hemp applications, one team will prioritize LPHE-M and LPHE-W. The other will focus on LPHE-R. This approach will allow OCM to move as swiftly as possible through the LPHE-M and LPHE-W licenses to expedite the transition to 342.

Do lower-potency hemp edible businesses have to obtain a labor peace agreement?

- Per Minnesota Statutes section 342.44, subd. 1 (c), an applicant for a lower-potency hemp edible manufacturer license must submit an attestation signed by a bona fide labor organization stating that the applicant has entered into a labor peace agreement as part of the application process.
- Applicants for lower-potency hemp edible retailer and wholesaler licenses are not required to submit an attestation.

Questions and Concerns

Will a nutritional panel or nutritional testing be required or just the ingredients?

- No, statute nor rules require a nutritional panel.

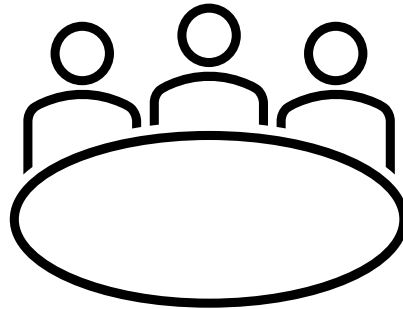
What do the testing standards allow in terms of a variance in potency?

- Testing standards were adopted and published following rulemaking in April 2025. The measured percent cannabinoid content for any product with a label claim for cannabinoid content must be within 15% of the label amount for each compound listed. For non-intoxicating cannabinoids present at low levels (< 5%) in products with more than 70% THC, the allowed variance is 25% of the label amount.

We want to hear from you



**Legislative
Priorities**



**Changes or
questions on the
application
process**



**Any remaining
concerns or
feedback**

[Packaging and Labeling Guide for Cannabis and Lower-Potency Hemp Edible Products](#)

[Cannabis Technical Authority: Standards for Sampling and Testing Cannabis Products](#)

[Product Transition Period / Office of Cannabis Management](#)

[Hemp business application resources](#)

