



---

# **OCM Annual Report to the Legislature (2026)**

1/15/2026

---

Office of Cannabis Management

[cannabis.info@state.mn.us](mailto:cannabis.info@state.mn.us)  
<https://mn.gov/ocm>

*Upon request, this material will be made available in an alternative format such as large print, Braille or audio recording. Printed on recycled paper.*

# Table of Contents

<b>Table of Contents.....</b>	<b>3</b>
<b>Executive summary.....</b>	<b>4</b>
<b>Section 1: Status of the regulated cannabis industry .....</b>	<b>4</b>
Section 1.1: Cannabis business licensing launch .....	4
Section 1.2: Hemp business licensing launch .....	6
Section 1.3: Tribal-state compacting.....	6
<b>Section 2: Status of illicit cannabis market and hemp consumer industry .....</b>	<b>7</b>
Section 2.1: Status of illicit cannabis market.....	7
Section 2.2: Status of hemp consumer industry .....	9
<b>Section 3: Traffic Safety and Legal Implications.....</b>	<b>11</b>
Section 3.1: Background and methodological challenges.....	11
Section 3.2: Challenges in measuring cannabis-induced driving impairment .....	12
Section 3.3: Data findings in prevalence of driving under the influence of cannabis.....	13
Section 3.4: Conclusions and future directions.....	13
Section 3.5: Citations .....	14
<b>Section 4: Potency changes in cannabis flower and cannabis products .....</b>	<b>15</b>
Section 4.1: Background .....	15
Section 4.2: Approved delivery methods for the medical cannabis program .....	17
Section 4.3: Medical program – dried cannabis flower products.....	17
Section 4.4: Medical cannabis program – vaporized concentrate oil products .....	18
Section 4.5: Medical cannabis program – edible gummies .....	19
Section 4.6: Medical cannabis program – edible nano-gummies.....	20
Section 4.7: Medical cannabis program – capsules and tablets .....	20
Section 4.8: Medical cannabis program – dissolvable tablets and powder.....	21
Section 4.9: Medical cannabis program – edible oil concentrate products.....	21
Section 4.10: Medical cannabis program – oral solutions .....	21
Section 4.11: Medical cannabis program – oromucosal products.....	21
Section 4.12: Medical cannabis program – topical products.....	23
Section 4.13: Citations .....	23
<b>Section 5: Progress on opportunities for individuals and communities impacted by prohibition.....</b>	<b>23</b>
Section 5.1: Social equity in licensing .....	23
Section 5.2: Community support.....	27
<b>Section 6: Diversity in the cannabis industry .....</b>	<b>29</b>
Section 6.1: Adult-use cannabis industry data .....	29
Section 6.2: Hemp-derived industry data .....	31
Section 6.3: Medical cannabis program data .....	31
Section 6.4: Future reporting goals .....	32
Section 6.5: Citations .....	32
<b>Section 7: Legislative proposals .....</b>	<b>32</b>
<b>Section 8: Adverse effects of secondhand smoke .....</b>	<b>33</b>
Section 8.1: Summary of research and available information .....	33
Section 8.2: Citations, supplemental journal articles, and supporting materials from other states.....	35
<b>Section 9: Recommendations for educational and training funding and updates on programming .....</b>	<b>36</b>
Section 9.1: Health effects related to pregnancy, breastfeeding, and young people .....	37
Section 9.2: Youth education and model programs for students.....	38
Section 9.3: CanTrain, CanNavigate, CanStartup, and CanGrow grant programs .....	39
Section 9.4: CanRenew community reinvestment grant program .....	41
Section 9.5: Law enforcement.....	41
Section 9.6: Social service agencies .....	42
<b>Conclusion.....</b>	<b>42</b>

# Executive summary

This document fulfills Minnesota Office of Cannabis Management (OCM or the office) reporting requirements in [Minnesota Statutes, section 342.04\(g\)](#). In 2025, OCM continued development and implementation of the operational and regulatory systems to launch Minnesota's adult-use cannabis program. The office's mission is to foster an equitable cannabis industry that prioritizes public health and safety, consumer confidence, and market integrity. As part of this work, the office recognizes the importance of data as critical for effective regulation and will continue to prioritize data collection and analysis. While the market is still in early stages, there are limitations to data availability, and the office expects more robust data collection on program and industry outcomes will inform future reports to the Legislature and the public in future years. As work progresses, the office will continue to consult with partner agencies, legislators, federal partners, Tribal Nations, patients, consumers, industry, and other key groups to determine information and priorities going forward, related to statutory reporting requirements.

## Section 1: Status of the regulated cannabis industry

Established in August 2023, OCM has since developed the operational and regulatory systems to oversee the new adult-use cannabis industry. Over the past year since the 2024 annual report, the office met important milestones in the launch of the adult-use cannabis market while supporting key transitions for the hemp-derived cannabinoid industry and the medical cannabis program. These milestones helped to bring all three market segments under a single regulatory and licensing framework, as outlined in the state's legalization legislation, Minnesota Statutes chapter 342.

### Section 1.1: Cannabis business licensing launch

In 2025, OCM established the adult-use cannabis licensing framework, and market launch progressed throughout the year with the completion of several key milestones in the regulated cannabis industry:

- January 2025: The office launched a social equity verification window for applicants interested in participating in the 2025 licensing process as social equity applicants.
- February 2025 and March 2025: The office hosted a general licensing application window for ten different cannabis business license types hosted for all applicants interested in applying for either classification (social equity applicants and non-social equity applicants). With applications submitted during the 2024 window, the office received 3,540 applications for cannabis business licenses across ten license type categories.
- April 2025: The rules governing Minnesota's adult-use cannabis industry were formally adopted and went in effect, after being approved by an administrative law judge and published in the [Minnesota State Register](#) on Monday, April 14, 2025. The office issued the first preliminary approval statuses for applicants in the cannabis microbusiness license type category in April following the adoption of rules and continued to issue preliminary approval on a rolling basis for license types in uncapped categories.

- May 2025: The first tribal-state compact between the State of Minnesota and White Earth Nation was signed. The first sales of adult-use cannabis occurred in the state (outside of Tribally regulated land).
- June: The office conducted the first application lottery on June 5, 2025, for certain license types available in limited numbers under statute, including cannabis cultivators, manufacturers, mezzobusinesses, and social equity retailers. The office issued the first cannabis business license to a microbusiness applicant on June 18, 2025.
- July 2025: The office conducted the second application lottery on July 22, 2025, for the cannabis retailer license category, including both general applicants and the remaining social equity applicants not selected in the first lottery. The office completed initial review of all applications received (over 3,500 applications) in July.
- August 2025: The office launched permanent application windows for two cannabis business license types, the cannabis event organizer and testing facility licenses. These windows remain active and ongoing.
- September 2025: The state's existing medical cannabis program ceased operations under Minnesota Statutes, chapter 152, and transitioned to begin adult-use and medical cannabis operations under the licensing framework as outlined in Minnesota Statutes, chapter 342. The first sales of adult-use cannabis by state licensed businesses occurred in the state, including the first sales of Tribally grown cannabis flower from a state-licensed business and sales by licensed cannabis businesses transitioned from the existing medical cannabis program. The office also issued the first cannabis event organizer license.
- October – December 2025: The office continued to issue cannabis business licenses on a rolling basis. As of Dec. 29, 2025, the office has issued a total of 119 cannabis business licenses, averaging approximately 18 per month.

Moving forward into 2026, the office expects to continue issuing licenses as additional applicants complete their final steps and more of the supply chain fills in. Notably, the cannabis business licensing process, and thus the timeline, is not entirely predictable or controllable by the office, with applicants moving at their own pace through the stages of "qualified applicant," "preliminary approval," and "license issuance." As of Dec. 29, 2025, there are also more than 1,400 cannabis business license applicants that have received "preliminary approval" status, meaning they are in the final stages of the application process and have 18 months to submit specific site information to complete their conversion to licensure and begin operations. OCM will continue to review final application materials as they are submitted by applicants, inspect final locations, and issue licenses on a rolling basis.

Cannabis business license and application data is available and updated on a regular basis on OCM's [application and license holder data webpage](#).

## Section 1.2: Hemp business licensing launch

In addition to the implementation of the cannabis business licensing process, the rollout of chapter 342's licensing framework concluded with the initiation of an application window for hemp businesses, including lower-potency hemp edible (LPHE) licenses for retailers, manufacturers and wholesalers in October, a final milestone in the 2025 schedule.

The office is currently reviewing 2,222 LPHE applications and, to-date, has issued more than 400 licenses to LPHE retailers. LPHE business license and application data is available and updated on a regular basis on OCM's [application and license holder data webpage](#).

## Section 1.3: Tribal-state compacting

In establishing Minnesota's cannabis law, the Legislature called on the governor to negotiate intergovernmental agreements—cannabis compacts and cooperative agreements—with Tribal Nations sharing territory with Minnesota to promote a cooperative and mutually beneficial relationship between the state and Tribes that enhances public health and safety, ensures a lawful and well-regulated cannabis market, encourages economic development, and provides financial benefits to both the state and Tribal Nations ([Minnesota Statutes, section 3.9228](#)).

Tribal-state cannabis compacts and cooperative agreements address jurisdictional issues related to the medical cannabis and adult-use cannabis industries and create a legal agreement between the state and Tribal Nation, establishing the terms and conditions to regulate the operation of Tribal cannabis businesses off Tribally regulated lands.

Additional important milestones completed in 2025, six Tribal Nations sharing territory with Minnesota—Bois Forte Band of Chippewa, Fond du Lac Band of Lake Superior Chippewa, Leech Lake Band of Ojibwe, Mille Lacs Band of Ojibwe, Prairie Island Indian Community and White Earth Nation—signed Tribal-state cannabis compacts with the state of Minnesota. One Tribal Nation, the Red Lake Band of Chippewa Indians, signed a cooperative agreement with the state under the same authority granted under [Minnesota Statutes, section 3.9228](#).

Each Tribal-state cannabis compact and cooperative agreement is unique and constitutes a distinct and separate agreement between the state and each individual Tribe. Though the terms vary depending on the needs of the individual Tribe, the compacts have some fundamental similarities. Tribal Nations entering into cannabis compacts or cooperative agreements with the state have established Tribal regulatory agencies that will license Tribal enterprises and oversee enforcement of the Tribe's civil regulatory cannabis program using standards that meet or exceed those established by OCM.

These Tribal-state cannabis compacts allow for state-licensed retail businesses to work in partnership with Tribal Nations to procure safe, tested cannabis products at wholesale in order to stock their shelves.

Under [Minnesota Statutes, section 3.9228, subdivision 5](#), once executed, compacts and cooperative agreements are publicly available on the office's [Tribal Compacts and Cooperative Agreements webpage](#).

# Section 2: Status of illicit cannabis market and hemp consumer industry

## Section 2.1: Status of illicit cannabis market

In 2025, OCM continued monitoring the presence and activity of the illicit market as part of its broader effort to ensure a safe, regulated, and equitable legal market. While legalization and ongoing licensing occur, unregulated sales remain a factor in Minnesota's developing cannabis industry. As more licenses are issued, additional product is cultivated and manufactured, and more retail stores open statewide, the legal marketplace is expected to continue expanding. Additionally, due to the illicit nature of unregulated sales, the total size and scope of the illegal market cannot be determined with complete accuracy or consistency.

### Statewide enforcement presence

As of December 2025, OCM's enforcement and compliance division employs 15 cannabis inspectors who conduct routine inspections of licensed and registered businesses as well as pre-licensure inspections of license applicants' facilities as pre-requisite to a business receiving their final licensure. This staffing presence reflects more than a 50% increase since the 2024 report as part of the office's focus on statewide enforcement presence. In addition to routine inspections and pre-licensure inspections, the division also responds to complaints regarding suspected illicit sales.

During an inspection, inspectors educate business owners on compliant product standards and current regulations, and they provide informational material to promote understanding of legal requirements. When noncompliant products are discovered during an initial inspection, inspectors work with business owners to achieve voluntary product destruction. These collaborative efforts support OCM's goal of fostering regulatory compliance and ensuring safe cannabis and hemp products for Minnesotans. Working with stakeholders on compliance and education is further building positive regulatory compliance and helping to ensure safe cannabis and hemp products for Minnesotans.

Reinspection is conducted at businesses where noncompliance is observed. When noncompliant products are found on consecutive inspections, further regulatory enforcement action is taken in the form of administrative orders, civil orders, and penalties.

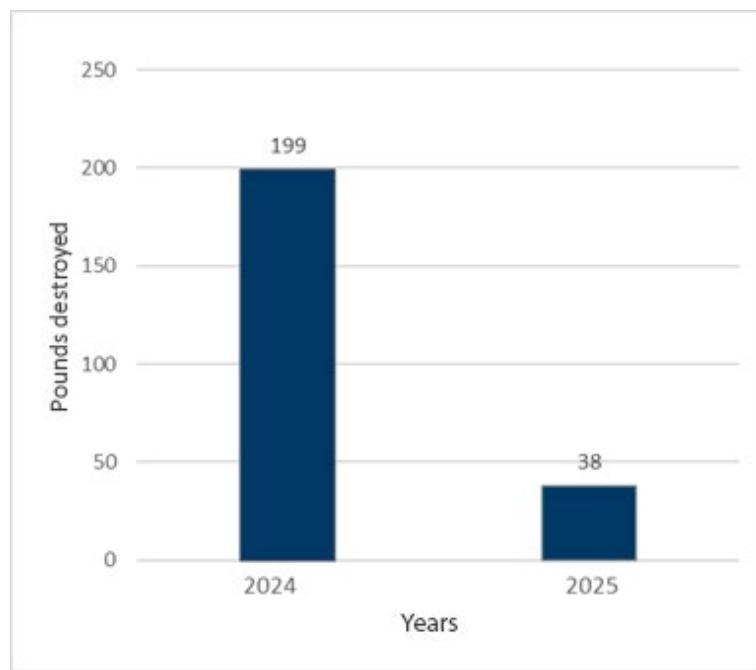
The office's goal is to bring businesses into alignment with state law through information, outreach, and technical assistance. Inspectors are trained to identify areas of noncompliance, explain applicable rules and provide clear pathways for correction.

## Inspection results

Between January and October 2025, OCM conducted 1,910 routine and complaint-based inspections, yielding 181 sites identified as operating in noncompliance. Twelve businesses were found selling illicit cannabis flower. In collaboration with the on-site inspector, the businesses voluntarily destroyed 38 pounds of cannabis flower worth a total retail value of \$240,500. Of those 38 pounds of cannabis, 30 pounds were from one location. A total of 52 penalties were issued due to noncompliance violations, averaging \$5,794 per penalty.

This is a marked decrease from the illegal sales occurring in 2024. The amount of cannabis flower found for sale illegally decreased by nearly 81%. The downward trend is likely due to expanded outreach and education by OCM, increased inspection and enforcement activities, and increased motivation on the part of businesses to remain in good standing with the office as they work toward licensure.

**Figure 2.1: Amount of illicit cannabis flower destroyed has decreased significantly over time**



## Complaint process

Since 2024, the office has established a complaint form process for law enforcement, local governments, businesses, and individuals to share information or concerns regarding cannabis-related business activity. OCM's enforcement and compliance division is responsible for receiving and investigating complaints submitted through the complaint [form on the OCM website](#). In 2025, OCM received 155 complaints related to medical cannabis products, noncompliant products, unlicensed sales or events, on-site consumption, online sales, and false or misleading advertising. Of these, 22 complaints were submitted by law enforcement or other government agencies. An additional 70 complaints received related to cannabis use or activity in residential housing settings.

## Looking forward and developing partnerships

Unregulated activity will continue to present challenges that require ongoing coordination with other state and local partners. Certain aspects of the illicit market—particularly those involving broader criminal networks—extend beyond OCM’s regulatory authority and staff expertise. To address these challenges effectively, OCM will continue to build partnerships and data-sharing mechanisms with the Minnesota Bureau of Criminal Apprehension (BCA) and other law enforcement and regulatory entities. These collaborations will enhance the state’s ability to identify trends, share intelligence, and develop informed, non-punitive strategies to reduce illicit cannabis activity and protect public safety.

## Section 2.2: Status of hemp consumer industry

Through the passage of Minnesota Statutes, section 151.72, the state of Minnesota in 2019 legalized the sale of hemp-derived cannabinoid products (HDCP) with a capped THC potency. Compared nationally, Minnesota has taken a unique approach to the hemp-derived THC industry by creating an initial temporary legal framework and regulatory structure for these products. Many states have not regulated hemp-derived cannabinoid products, and as a result, have seen a proliferation of high-dose hemp-derived THC products in their jurisdictions. Minnesota law permits these HDCPs to be sold in various types of establishments, including smoke shops, grocery stores, bars, liquor stores, and restaurants. Under Minnesota Statutes, section 151.72—the temporary regulations established by the Legislature—there was no licensing framework like that in Minnesota Statutes, chapter 342. Instead, retailers were required to be registered with the office before selling HDCPs, and there were no application requirements in order to register.

The HDCP industry continued to grow in 2025; however, significant developments at the federal level have impacted this industry and will continue to do so in the year ahead.

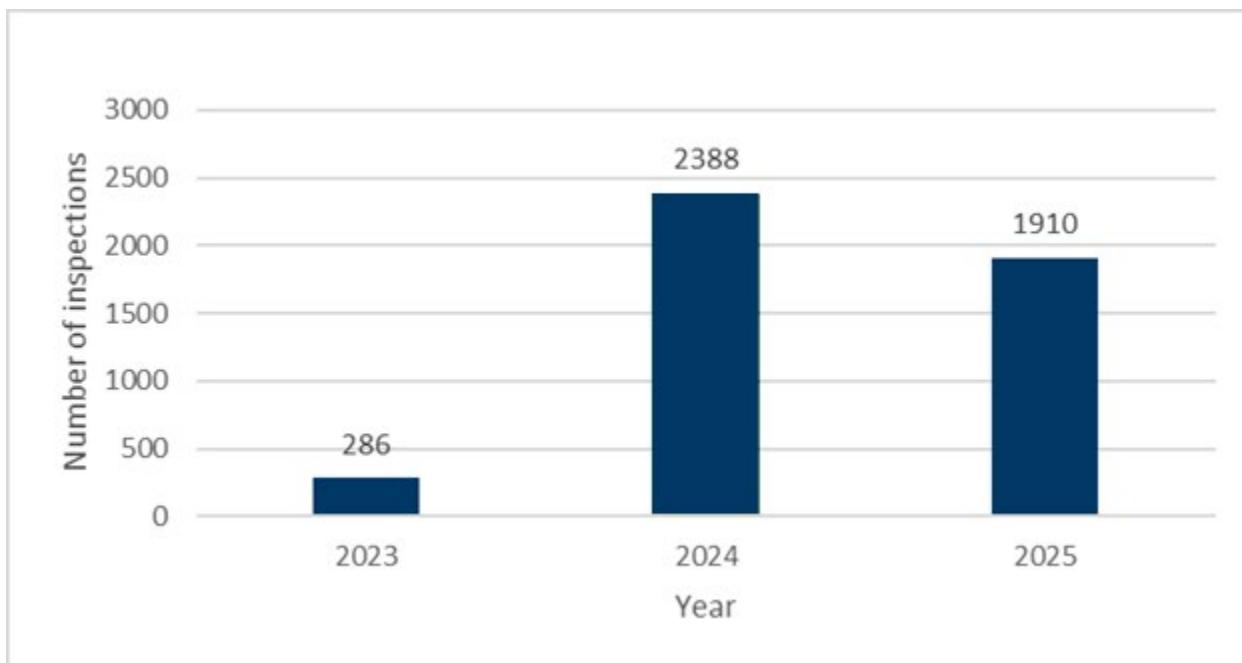
As part of implementing the licensing framework under Minnesota Statutes, chapter 342, the office established two registration windows which closed in April and August 2025. At the close of the second window, there were more than 5,000 businesses registered with the office to sell HDCPs. However, this number does not necessarily reflect businesses with active participation in the market.

### Compliance rates of registered hemp businesses

Between January and October 2025, inspectors conducted 1,910 inspections of businesses selling HDCPs. The compliance rate of these inspections in 2025 was more than 90%, compared to 75% compliance documented in 2024.

When a noncompliant hemp-derived product is found during an inspection and determined to be high risk, the product is either embargoed or the business may agree to its voluntary destruction. High-risk products are defined as edibles or beverages that are more than double the legal THC limit, or intoxicating products that are appealing to children. In 2024, the office oversaw the voluntary destruction of HDCPs at 352 business locations. In 2025, OCM oversaw the destruction of HDCPs at 114 business locations, representing a decrease in noncompliance of more than 67%. The increase in compliance continues the trend observed in 2024 which likely resulted from the office’s increased presence statewide, educational initiatives, and development of additional informational materials.

**Figure 2.2: Inspections of businesses selling hemp-derived cannabinoid products**



### Transition from a registration system to a licensing framework

As the office has implemented chapter 342 and established the licensing framework for cannabis and hemp businesses over the last year, businesses previously registered and operating under section 151.72 are now required to transition to the regulatory framework under chapter 342. This means that all businesses that were registered to sell HDCPs under section 151.72 must apply for and obtain a lower-potency hemp edible license if they want to continue selling hemp edibles and beverages. Changes to the product testing requirements, packaging and labeling are also required based on differences between statutes. The licensing framework also provides enhanced regulatory authority for the office and local governments to ensure compliance with requirements to prevent sales to underage individuals, for example.

Understanding the complexities of navigating the transition from one statutory structure to another, the office has prioritized outreach, education and [guidance materials](#) to support businesses through this transition. Further, to support the launch of the adult-use cannabis market and provide continuity for existing hemp-derived businesses and medical cannabis patients, in July 2025, OCM authorized a [product transition period](#) for the cannabis, hemp and medical cannabis markets. Recognizing the need expressed by hemp businesses for additional time to prepare for the transition to the law's licensing framework, OCM issued [Guidance Memo 2025-03](#) on Oct. 10, 2025, and updated it on Dec. 19, 2025, to clarify prior guidance and provide details on when applicants for LPHE retailer, manufacturer and wholesaler licenses can expect to receive a license.

## Evolving federal landscape

The federal government passed legislation in November that will significantly impact the federal legality of hemp-derived THC products. On Nov. 12, 2025, President Trump signed a bill into law—which includes a prohibition on hemp-derived products containing more than 0.4 milligrams of THC—that becomes effective Nov. 13, 2026. Additionally, President Trump issued an executive order, “Increasing Medical Marijuana and Cannabidiol Research,” on Dec. 18, 2025, ordering the administration to move expeditiously to reschedule marijuana to Schedule III under the U.S. Controlled Substances Act. A final rule to reschedule marijuana has not yet been issued by the Department of Justice. The timeline for a final rule remains unknown, and until there is a final rule, marijuana remains a Schedule I drug.

Each of these developments pose complex regulatory issues, and the Office of Cannabis Management will continue to work with the Minnesota Attorney General’s Office, the Minnesota Department of Agriculture, the Minnesota Legislature, and industry participants to understand and address the specific impact of these federal issues on Minnesota’s hemp-derived THC industry. It remains unclear whether any additional federal action will occur before the ban on hemp-derived products goes into effect in November 2026 with the potential for significant impact on the current industry in the state.

While further assessment and dialogue is ongoing, the office will continue to implement chapter 342 and issue lower-potency hemp edible business licenses as charged. As new information is available on the impacts of the new federal legislation and action on Minnesota, the office will make it available to impacted businesses.

## Section 3: Traffic Safety and Legal Implications

### Section 3.1: Background and methodological challenges

As addressed in last year’s reports, the office has consulted other state agencies, including the Minnesota Department of Public Safety’s Office of Traffic Safety, the State Patrol, and the Bureau of Criminal Apprehension Lab to assess data available related to cannabis-induced driving impairments. These discussions continue to result in the following conclusions:

- 1) Current data collection on driving and cannabis use are limited and, therefore, potentially do not fully represent actual road safety impacts from those under the influence of cannabis/cannabinoids in Minnesota.
- 2) The amount of THC consumed by a driver does not readily correlate with the degree of impairment experienced by a driver.

Despite these limitations, all agencies are motivated to improve data collection so that analyses related to cannabis, cannabinoids and hemp-derived products can be undertaken.

With the ever-changing landscape of cannabis legalization across the nation, there is growing concern about the effects of cannabis/cannabinoid use while driving. Concern centers around delta-9 tetrahydrocannabinol (THC), which is a compound found in the cannabis plant that produces the psychoactive “high” people experience.

THC has been shown to impair performance on a variety of cognitive and psychomotor tests. It is unsurprising to find that a highly cognitive- and psychomotor-intensive task such as driving is subject to similar impairments. This includes driving coordination, dexterity, and reaction time, among other things.<sup>1,2</sup> The negative effects of cannabis on driving increase with higher consumption but decrease with more time since use.<sup>3</sup> For chronic users of cannabis, the impairing effects of THC may decrease over time due to increased tolerance to cannabis/cannabinoids.<sup>4</sup> Epidemiological studies have also shown that cannabis use moderately increases the risk of getting into a vehicle collision, either causing a crash or being involved in a crash.<sup>5,6,7</sup> Availability of some statistics show the odds of getting into a collision that leads to serious injury or death are statistically higher in those testing positive for cannabis than in those unimpaired.<sup>8</sup>

While this report discusses available data on cases that underwent a full toxicology screen from 2022-2024, longer historical trends seen by the Department of Public Safety may indicate an increasing trend in drivers testing positive for cannabis/cannabinoids while on the roads.

## **Section 3.2: Challenges in measuring cannabis-induced driving impairment**

As summarized similarly in last year's reports, measuring cannabis-induced impairment is presently difficult. Field sobriety tests to measure driving impairment are most sensitive to measuring alcohol impairment. For example, horizontal gaze nystagmus—one of the field sobriety measures—can help law enforcement reliably establish impairment from alcohol. This test is less reliable for measuring impairment from cannabis/cannabinoid use. Further, unlike alcohol, where there is a relationship between impairment and alcohol concentrations (higher bodily alcohol concentrations being associated with greater impairment), the same cannot be said for cannabis. Empirical evidence suggests that greater concentrations of THC in the body do not correlate with greater impairment. Two people who have the same THC concentrations in their bodies can experience different levels of impairment. Due to these challenges, law enforcement does not have a validated tool to establish whether a driver has legally passed a threshold to be considered impaired by cannabis/cannabinoids (unlike with alcohol, where legal impairment is at an alcohol concentration  $\geq 0.08\%$ ).

A blood alcohol concentration above 0.08% is sufficient evidence that a driver is in violation of Minnesota's DWI law. If law enforcement can establish impairment in a driver—usually from alcohol—they typically do not seek to establish impairment from other drugs. Therefore, prevalence of driving under the influence of alcohol on Minnesota roads is more clearly understood than for most other drugs. This means that data on the number of accidents, arrests and convictions involving drivers who admitted to using cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products or who tested positive for cannabis or THC are limited. Therefore, addressing these points as mandated in statute is not possible at this time.

Lastly, it is not possible to tell by the presence of cannabinoids in the body (including THC) whether they came from the consumption of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products. For example, if one person were to consume cannabis via a vape, and another person were to consume a lower-potency hemp edible that contained THC, testing of each person might reveal the presence of THC in their system. However, there would be no way to identify the type of product they consumed. This means that—in contrast to what is requested in statute—data cannot be stratified by product categories.

## Section 3.3: Data findings in prevalence of driving under the influence of cannabis

With the context of the existing challenges to measuring cannabis/cannabinoid impairment on Minnesota roads, this section presents data that do exist from traffic stops that lead to fluid samples (blood or urine samples) being taken from a suspected impaired driver.

### Data sample

Full toxicology screenings (from blood or urine samples) performed to detect substances other than alcohol (including cannabinoids) are rare. Table 3.1 shows that 56%-58% of screenings showed positive test results for cannabinoids for 2022, 2023 and 2024. This represents a significantly small portion of the total number of cases and traffic stops conducted during this period. For more information on the process and available data, visit BCA's [Driving While Impaired \(DWI\) Dashboard](#) that documents DWI arrests associated with alcohol.

**Table 3.1: Positive screenings for cannabinoids have remained steady over time**

Year (number of tests total completed)	2022 (N=6,374)	2023 (N=5,809)	2024 (N=5,583)
Positive test result for cannabinoids	56%	58%	58%

## Section 3.4: Conclusions and future directions

The data updates available this year do not have a significant impact on the conclusions understood through the investigation of available information on the impact of cannabis-use on driving. There are several contextual factors impacting this work, including that 1) the presence of cannabinoids in the body does not necessarily mean the driver is impaired, especially because cannabinoids can take longer to metabolize than the presence of alcohol, for example; 2) unlike alcohol impairment, tools currently do not exist to reliably measure if a driver is impaired by cannabis/hemp-derived products; and 3) traffic stop cases that end up receiving a full toxicology screening are very low, making it difficult to establish how representative this sample is of drivers on Minnesota roads.

The office will continue to engage on this critical issue and work with DPS, the State Patrol, the BCA, and other state agencies to evaluate cannabis-induced impairment and events associated with it. The office plans to continue these partnerships with other state agencies and identify areas that might be feasible for expanding data collection efforts and methods.

As part of the cannabis legalization legislation, DPS's Office of Traffic Safety (OTS) was tasked with conducting a pilot project to test out newly developed roadside instruments for measuring recent cannabis use. In 2025, as previewed in last year's report, OTS [submitted results to state legislators](#) on two oral fluid testing instruments that can help detect drug-impaired driving.

## Section 3.5: Citations

1. Hartman RL, Huestis MA. Cannabis Effects on Driving Skills. *Clinical Chemistry*. 2012;59(3):478-492. doi:<https://doi.org/10.1373/clinchem.2012.194381>
2. Desrosiers NA, Ramaekers JG, Chauchard E, Gorelick DA, Huestis MA. Smoked cannabis' psychomotor and neurocognitive effects in occasional and frequent smokers. *J Anal Toxicol*. 2015;39(4):251-261. doi:[10.1093/jat/bkv012](https://doi.org/10.1093/jat/bkv012)
3. Khiabani HZ, Bramness JG, Bjørneboe A, Mørland J. Relationship between THC concentration in blood and impairment in apprehended drivers. *Traffic Inj Prev*. 2006;7(2):111-116. doi:[10.1080/15389580600550172](https://doi.org/10.1080/15389580600550172)
4. Colizzi M, Bhattacharyya S. Cannabis use and the development of tolerance: A systematic review of human evidence. *Neurosci Biobehav Rev*. 2018;93:1-25. doi:[10.1016/j.neubiorev.2018.07.014](https://doi.org/10.1016/j.neubiorev.2018.07.014)
5. Rogeberg, O., 2019. A meta-analysis of the crash risk of cannabis-positive drivers in culpability studies—avoiding interpretational bias. *Accid. Anal. Prev.* 123, 69–78.
6. Rogeberg, O., Elvik, R., 2016. The effects of cannabis intoxication on motor vehicle collision revisited and revised. *Addiction*. 111, 1348–1359.
7. Rogeberg, O., Elvik, R., 2017. Response to Li et al. (2017): cannabis use and crash risk in drivers. *Addiction*. 112, 1316-1316.
8. Asbridge M, Hayden JA, Cartwright JL. Acute cannabis consumption and motor vehicle collision risk: systematic review of observational studies and meta-analysis. *BMJ*. 2012;344(feb09 2):e536-e536. doi:<https://doi.org/10.1136/bmj.e536>

# Section 4: Potency changes in cannabis flower and cannabis products

## Section 4.1: Background

The percentage of THC (the compound that gives people a “high”) in cannabis has increased dramatically over the years, according to the National Institute on Drug Abuse (NIDA) Potency Monitoring Program. Illegal cannabis samples seized by the Drug Enforcement Administration (DEA) show that the percentage of THC in cannabis increased from around 4% in 1995 to more than 16% in 2022.<sup>1</sup>

This section describes trends in cannabis product potency levels, including medical cannabis program products only available to enrolled patients. Potency of products is tested by licensed labs and reported in Metrc, the state’s seed-to-sale tracking system. As the data below show, the amount of THC available in the medical cannabis products has increased over the past two years. Analysis of the adult-use products was not available at the time of this report, as the number of products available to the market is not yet sufficient for data trends. That said, the rules promulgated in April 2025, governing potency for both adult-use and medical cannabis products, largely treat products for the two market the same. The lone exception is an 80% potency cap on cannabis concentrate products designed for vaporized delivery methods sold in the adult-use market. As of this report, the potency of adult-use cannabis products is the same as the medical cannabis products described below. As the market develops, OCM will continue to assess how continued cultivation and manufacture of adult-use products impacts this data.

For information about regulation of adult-use cannabis products, including established potency limits for Minnesota’s adult-use cannabis market, reference the [rulemaking process](#) and Table 4.1. The rules governing Minnesota’s adult-use cannabis industry—Minnesota Administrative Rules, chapter 9810—went into effect April 14, 2025.

The office will continue to assess available research and information available from the state’s market to inform future reports.

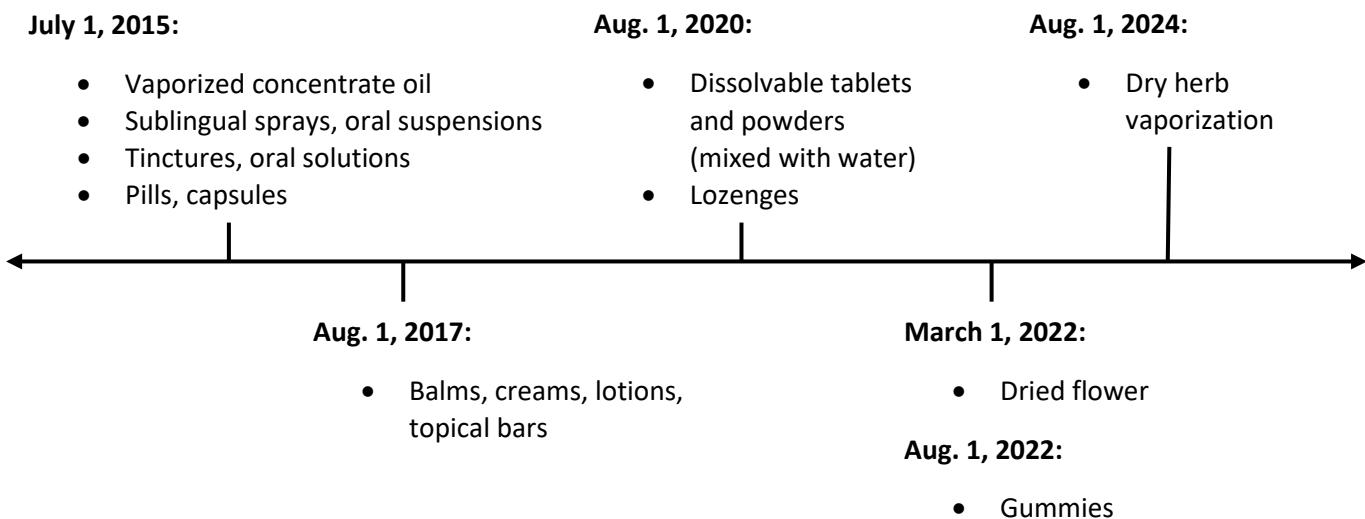
**Table 4.1: Approved product categories and potency limits**

Product Type	Product	Potency Limit	Per Serving Limit	Total Package Limit
Cannabis flower	<b>Cannabis flower</b> <i>Fresh, dried raw, shake, trim, pre-rolls</i>	None	None	None
Ingestible cannabis products	<b>Ingestible (non-beverage)</b> <i>Edibles, cannabis-derived tinctures</i>	Not applicable	10 mg THC	200 mg THC
Ingestible cannabis products	<b>Ingestible (beverage)</b>	Not applicable	10 mg THC	20 mg THC
Adult-use cannabis concentrates (designed for vaporization)	<b>Liquid Concentrate</b> <i>Hash oils or distillate designed for vaporization</i>	80% THC	None	None
Medical cannabis concentrates (designed for vaporization)	<b>Liquid Concentrate</b> <i>Hash oils or distillate designed for vaporization</i>	None	None	None
Cannabis concentrates ( <u>not</u> designed for vaporization)	<b>Solid concentrate</b> <i>Cured or live resin or rosin, hash (hashish), kief, full extract cannabis oil</i>	None	None	None
Cannabis combination products	<b>Infused cannabis flower</b>	50% THC	None	None
Transdermal or topical cannabis products	<b>Cannabis topical/transdermal</b>	Not applicable	None	1,000 mg THC
Lower-potency hemp edible (LPHE) products	<b>LPHE (non-beverage)</b> <i>Edible products, hemp-derived tinctures</i>	0.3% THC	5 mg THC	50 mg THC
Lower-potency hemp edible (LPHE) products	<b>LPHE (beverage)</b> <i>Beverage products</i>	0.3% THC	10 mg THC	10 mg THC
Hemp-derived consumer products (HDCP)	<b>HDCP</b> <i>Hemp flower and hemp-derived oils (including vapes)</i>	0.3% THC	None	None

## Section 4.2: Approved delivery methods for the medical cannabis program

Prior to cannabis legalization the division of medical cannabis at the Minnesota Department of Health (MDH) had statutory authority to approve new delivery methods (meaning the way in which a medical cannabis product is consumed into the body) to the medical cannabis program. As such, additional delivery methods of medical cannabis products have been approved over time (Figure 4.1). The authority to approve new delivery methods transferred to the office when the medical program moved from MDH to OCM.

**Figure 4.1: Timeline of introduction of approved cannabis delivery methods to the Minnesota medical cannabis program**

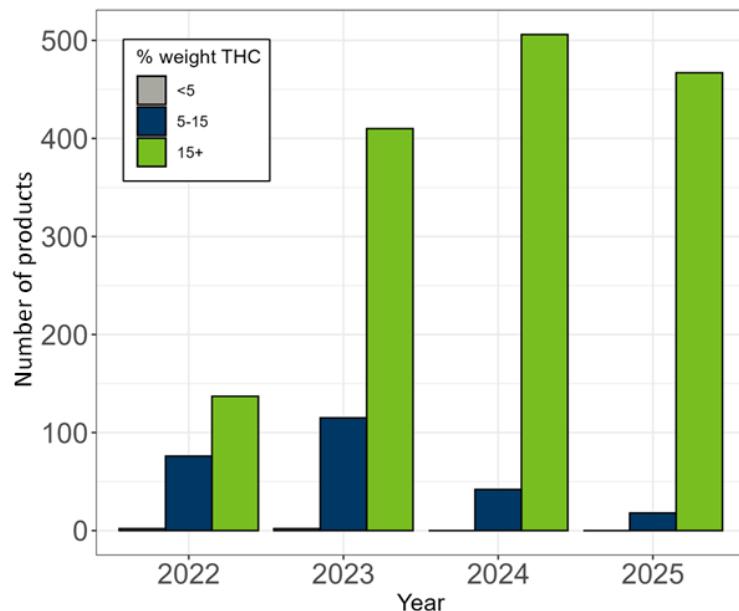


## Section 4.3: Medical program – dried cannabis flower products

Dried cannabis flower products consist of dried flower, ground flower and pre-rolled joints. Under the current product approval system, medical cannabis manufacturers categorize THC potency of dried cannabis flower in three groups: less than 5% THC, 5-15% THC, and more than 15% THC by dry weight. In 2025, 485 dried flower products were available for purchase in medical cannabis dispensaries. Of those products, more than 96% (n = 467) contained over 15% THC. The remainder contained 5-15% THC (n = 18), and no cannabis flower had less than 5% THC available (Figure 4.2).

The number of high-THC potency (>15%) flower products increased from 2022 to 2023 and stayed consistent from 2023 through 2025. The number of medium (5-15%) and low (<5%) THC potency products decreased from 2023 to 2024 and 2025 (Figure 4.2).

**Figure 4.2: Number of high-THC cannabis flower products has increased over the years**



## Section 4.4: Medical cannabis program – vaporized concentrate oil products

Vaporized concentrate oil, more commonly known as “vape” products, include vape pens and distillate oil. THC potency of vape products is reported to OCM as percent THC by weight of the oil, and manufacturers report the numerical value of the THC potency as opposed to a category.

In 2025, 282 vape products were available to medical cannabis patients. Median THC potency was 87% THC and ranged from 7.3% to 90% THC. The vast majority of products (75%) had above 85% THC. Vape products have become more potent since 2022, when the median THC potency was 76% (Table 4.2).

**Table 4.2: THC potency in vaporized concentrate oil products has remained steady**

Year	Number of products	Minimum THC potency	Maximum THC potency	Median THC potency
2022	38	4.0	87.0	76.0
2023	75	7.3	87.0	85.0
2024	206	7.3	90.0	87.0
2025	282	7.3	90.0	87.0

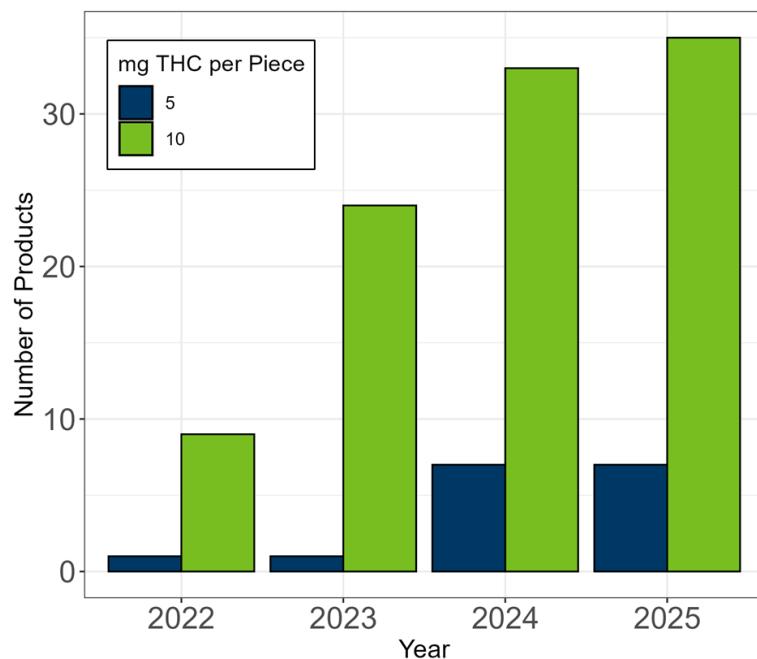
## Section 4.5: Medical cannabis program – edible gummies

Edible THC gummies come in two potency levels: 5 milligrams THC and 10 milligrams THC per piece. The number of gummy products has increased from 2022 to 2025, and the majority are 10 milligrams THC per piece (Table 4.3, Figure 4.3).

**Table 4.3: Number of 10 mg THC gummy products has increased over the years**

Year	5 mg THC per piece	10 mg THC per piece
2022	1	8
2023	1	21
2024	7	33
2025	7	35

**Figure 4.3: Number of edible gummy products available by potency and year**



## Section 4.6: Medical cannabis program – edible nano-gummies

Nano THC-infused gummy products are distinct from traditional gummy products because the THC added to the gummy is emulsified into the gummy. This allows for increased bioavailability of the THC, leading to a shorter onset time than with traditional gummies. Patients may feel the effects of THC within 15-30 minutes of using nano-gummies, compared to more than an hour using traditional gummies. Nano-gummies are only available in 10 milligram THC per piece potency. The number of nano-gummy products has increased from 2022-2025 but remains low overall (Table 4.4).

**Table 4.4. THC potency and number of edible nano-gummy products has remained steady**

Year	5 mg THC per piece	10 mg THC per piece
2022	0	1
2023	0	3
2024	0	3
2025	0	3

## Section 4.7: Medical cannabis program – capsules and tablets

The number of capsule and tablet products has decreased slightly from 2022-2025, while the THC potency is stable over that period. The median amount of THC found in capsule/tablet products is 4.29 milligrams THC per piece, ranging from trace amounts (0.1 milligram) to nearly 24 milligrams per piece (Table 4.5).

**Table 4.5: THC potency in milligrams (mg) in capsule and tablet products and the number of products available has remained steady**

Year	Number of products	Minimum THC potency	Maximum THC potency	Median THC potency
2022	19	0.10	23.99	4.29
2023	15	0.10	23.99	4.29
2024	15	0.10	23.99	4.29
2025	15	0.10	23.99	4.29

## Section 4.8: Medical cannabis program – dissolvable tablets and powder

One dissolvable tablet product was available in the market in 2022-2025, with a potency of 4.75 milligrams THC per tablet.

## Section 4.9: Medical cannabis program – edible oil concentrate products

Rick Simpson Oil (RSO) is a high-potency cannabis concentrate product, meant for edible administration and not inhalation. All RSO products are 70% THC by weight and contain 1,400 milligrams THC per package. RSO products were introduced in 2023, and there are three RSO products available since 2023.

## Section 4.10: Medical cannabis program – oral solutions

The number of oral solution products has decreased from 2022 to 2025, but THC potency remains level. In 2025, the median THC potency was 5 milligrams per milliliter, ranging from trace amounts (0.01 milligram per milliliter) to 50 milligrams per milliliter (Table 4.6).

**Table 4.6: THC potency in milligrams/milliliter (mg/mL) in oral solution products and the number of products available has remained steady**

Year	Number of products	Minimum THC potency	Maximum THC potency	Median THC potency
2022	19	0.01	50.00	5.00
2023	14	0.01	50.00	5.00
2024	14	0.01	50.00	5.00
2025	13	0.01	50.00	5.00

## Section 4.11: Medical cannabis program – oromucosal products

Oromucosal products are intended to deliver cannabinoids to the bloodstream through the oralmucosa in the mouth and cheek. For example, a patient may drop a tincture under their tongue, not swallowing it, so that the liquid is absorbed through the oralmucosa. Another oral mucosal product, lozenges, are meant to be held in the mouth so that the cannabinoids can be absorbed through the oralmucosa in the cheek. This contrasts with edible products that are swallowed, where the cannabinoids are absorbed in the digestive tract. Cannabinoids from oralmucosal products are absorbed into the bloodstream more quickly than edible products so have a faster onset time.

## Medical cannabis program – tinctures and sublingual sprays

Cannabinoid-containing tinctures are products containing cannabinoid concentrates suspended in an alcohol solution. Tinctures are delivered by a dropper, typically placed under the tongue. Sublingual sprays are similar to tinctures but are delivered via a spray bottle, sprayed under the tongue.

In 2025, the median THC potency of tincture and sublingual spray products was 15 milligrams per milliliter, ranging from 0.01 to 50 milligrams THC per milliliter. The median THC potency increased from 2022 to 2023 but decreased in 2025 (Table 4.7).

**Table 4.7: THC potency in milligrams/milliliter (mg/mL) in tincture and sublingual spray products and the number of products available has fluctuated slightly**

Year	Number of products	Minimum THC potency	Maximum THC potency	Median THC potency
2022	14	0.01	50.00	12.97
2023	9	0.01	50.00	20.00
2024	11	0.01	50.00	20.00
2025	13	0.01	50.00	15.00

## Medical cannabis program – lozenges

In 2025, there were two lozenge products offered to medical cannabis patients, with 10 milligrams and 50 milligrams THC per piece. In 2022 and 2023, only 5 milligrams and 10 milligrams THC per piece products were available (Table 4.8).

**Table 4.8: THC potency and number of lozenge products available has stayed relatively stable**

Year	5 mg THC per piece	10 mg THC per piece	50 mg THC per piece
2022	5	1	0
2023	1	1	0
2024	1	1	1
2025	0	1	1

## Section 4.12: Medical cannabis program – topical products

In 2025, the median THC potency of topical products was 120 milligrams per item (e.g., bar, jar), ranging from 1 to 375 milligrams THC per item. The median THC potency decreased from 2022 to 2024, before increasing in 2025 (Table 4.9).

**Table 4.9: THC potency in milligrams (mg) and number of topical products available by potency and year**

Year	Number of products	Minimum THC potency	Maximum THC potency	Median THC potency
2022	13	1.00	375.00	125.00
2023	8	1.00	375.00	112.50
2024	7	1.00	375.00	75.00
2025	10	1.00	375.00	120.00

## Section 4.13: Citations

1. Cannabis Potency Data. National Institute on Drug Abuse (NIDA). Updated July 16, 2024. Accessed Dec. 29, 2025. <https://nida.nih.gov/research/research-data-measures-resources/cannabis-potency-data>.

# Section 5: Progress on opportunities for individuals and communities impacted by prohibition

In 2025, guided by the principles of development, stability, and safety, OCM implemented programs pursuant to the statutory definition of the Division of Social Equity in [Minnesota Statutes, section 342.01, subdivision 29](#), with measurable outcomes for Minnesotans most affected by cannabis prohibition.

## Section 5.1: Social equity in licensing

### Social equity verification process

OCM operationalized the social equity verification (SEV) process as part of the cannabis licensing process outlined under Minnesota Statutes, section 342.14, subdivision 1c. The office hosted SEV windows from June 24-Aug. 12, 2024, and Jan. 15-30, 2025, in advance of cannabis licensing application windows to allow interested applicants to seek SEV of social equity status to prepare for their application for social equity licensure.

Minnesota Statutes, section 342.17, defines the eligibility requirements for an individual to qualify as a social equity applicant for cannabis licensure.

OCM verified applicants representing six of the seven available eligibility criteria (Table 5.1). Average processing time was under 30 days, and applications were received from more than half of Minnesota's 87 counties. It is important to note that an applicant may qualify in more than one criterion, but this information is not collected because only one criterion is required to qualify. This means that the data collected from tracking criteria categories may not be complete as applicants may qualify under more than one criterion.

**Table 5.1: OCM SEV applicants by social equity criteria**

Social equity criteria	Count	Proportion of all applicants
Past conviction for cannabis (Criterion 1)	828*	30.1%*
Family conviction for cannabis (Criterion 2)	171	6.2%
Dependent of someone with conviction for cannabis (Criterion 3)	2	0.1%
Veteran (Criterion 4)	1034	37.6%
Veteran – lost honorable status (Criterion 5)	0	0.0%
Resident of affected area (Criterion 6)	678	24.7%
Small-scale farmer (Criterion 7)	36	1.3%

*\*Following the change to the statutory definition of social equity criteria, the office reported an additional 55 individuals certified under Criterion 1. This number is not reflected in this table.*

In addition to managing the SEV process as part of the year's cannabis licensing window, the office worked with the Legislature to update the statutory definition in direct feedback received from applicants about the unintentional exclusion of applicants who were also justice impacted. In response, the law now includes applicants who have received stays of adjudication under Minnesota Statutes, chapter 609, and adjudications of delinquency under Minnesota Statutes, chapter 260B. The office hosted an additional window for applicants to apply for SEV in the summer 2025. The office also identified existing applications for verification that met the updated criteria in law and updated verification status to reflect the new law changes. The office makes information about SEV and future opportunities available on its website.

Following the updates in the 2025 legislative session to Minnesota Statutes, section 342.17, social equity eligibility is now defined as:

“(a) An applicant qualifies as a social equity applicant if the applicant:

1. Was found delinquent for, received a stay of adjudication for, or was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023.
2. Had a parent, guardian, child, spouse, or dependent who was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023.
3. Was a dependent of an individual who was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023.
4. Is a military veteran, including a service-disabled veteran, current or former member of the national guard.
5. Is a military veteran or current or former member of the national guard who lost honorable status due to an offense involving the possession or sale of cannabis or marijuana.
6. Has been a resident for the last five years of one or more subareas, such as census tracts or neighborhoods:
  - i. That experienced a disproportionately large amount of cannabis enforcement as determined by the study conducted by the office pursuant to section 342.04, paragraph (b), or another report based on federal or state data on arrests or convictions.
  - ii. Where the poverty rate was 20% or more.
  - iii. Where the median family income did not exceed 80% of the statewide median family income or, if in a metropolitan area, did not exceed the greater of 80% of the statewide median family income or 80% of the median family income for that metropolitan area.
  - iv. Where at least 20% of the households receive assistance through the Supplemental Nutrition Assistance Program.
  - v. Where the population has a high level of vulnerability according to the Centers for Disease Control and Prevention and Agency for Toxic Substances and Disease Registry (CDC/ATSDR) Social Vulnerability Index.
7. Has participated in the business operation of a farm for at least three years and currently provides the majority of the day-to-day physical labor and management of a farm that had gross farm sales of at least \$5,000 but not more than \$100,000 in the previous year.”

## Transfers of licenses with a social equity classification

The office, coordinated by the Division of Social Equity (DSE) and licensing division, will review all proposed license transfers involving social equity licenses as required by Minnesota Statutes, section 342.12 (b). Under this provision, licenses issued as social equity licenses pursuant to Minnesota Statutes, section 342.14, subdivision 1b(b) or section 342.175 (b) may be transferred only to another verified social equity applicant during the first three years following issuance. Any transfer within this period must be reviewed by DSE and approved in writing by OCM before execution. This review ensures that equity ownership and control remain with verified applicants through the initial years of market participation in line with statutory requirements and the vision of the Minnesota Legislature.

## Public engagement and outreach support for business applicants

Throughout 2025, OCM expanded outreach for potential applicants and business owners through webinars, community briefings and in-person sessions in the Twin Cities, Duluth, Bemidji, Rochester and Marshall. These events offered practical guidance on verification, licensing preparation, and compliance readiness. Participant feedback informed revisions to OCM forms, processes and platforms.

During the second half of 2025, the DSE launched its social equity resourcing strategy— a coordinated approach to align technical assistance, capital access, and workforce development across state and community partners.

The strategy was informed by direct community input. Between April 16 and April 30, 2025, OCM administered the social equity verified community input survey to individuals whose eligibility had been verified by the office during the first verification window. The survey, distributed to 2,594 verified individuals, received 491 responses (19% response rate), providing valuable insight into the lived experiences of those navigating Minnesota's emerging cannabis market.

Respondents described both optimism and persistent barriers. Many expressed that opportunity alone is not enough to overcome the legacy of exclusion caused by cannabis prohibition. Among respondents, funding access ranked as the most pressing need, followed closely by attorney referrals, zoning support, step-by-step licensing guidance, and business-finance training. Participants also emphasized the importance of learning environments that are practical and accessible – webinars, concise guides, hands-on workshops, and peer connections that help demystify the licensing process. The most significant knowledge gaps appeared in tax compliance, banking, and understanding regulatory requirements – areas that, if unaddressed, can undermine success for first-time license holders.

To respond to these findings, the DSE formalized a continuum of readiness framework that acknowledges that prospective license holders enter the process at very different stages of preparedness. This model guides participants from curiosity to competence to compliance and growth – beginning with awareness-building about regulatory expectations, then strengthening operational capacity through training and mentorship, and finally supporting long-term success with access to capital and workforce resources.

The resourcing strategy weaves this model into all of OCM's technical assistance and outreach efforts. It seeks to create a clear and navigable path for participants to start where they are, gain the knowledge they need, and grow sustainably within the legal market. In doing so, the division is intentionally shaping a reinvestment ecosystem that values readiness as much as opportunity.

As the resourcing strategy is implemented, the focus will be on expanding access to lenders and financial training, strengthening legal and compliance supports through attorney referrals and zoning workshops, and establishing quarterly sessions that clarify zoning and site selection in coordination with local governments. The division is also developing mentorship and peer networks to connect verified applicants with one another, fostering collective learning and shared accountability.

Every technical assistance or resourcing event will include structured post-event assessments to capture what participants found most useful and what resources they want next. These real-time insights will directly shape future programming and ensure that OCM's resourcing work remains rooted in the needs and experiences of the communities it was created to serve.

Information about the resourcing programming and other events sponsored by the division are available on the office's [webpage](#).

## Section 5.2: Community support

### Expungement and social repair

A core component of Minnesota's cannabis legalization legislation and in cannabis regulation is providing relief from the prohibition on cannabis and ensuring that individuals with prior cannabis convictions are not permanently excluded from participation. Minnesota's Cannabis Expungement Board (CEB) has made significant progress in reviewing records under Minnesota Statutes, chapter 609B. CEB's public reporting and data are available at [mn.gov/ceb](https://mn.gov/ceb), reflecting Minnesota's commitment to pairing business inclusion with criminal justice reform. Further, the Minnesota Bureau of Criminal Apprehension (BCA) automatically expunged approximately 57,000 cannabis-related records. For more information about the work of the Minnesota BCA and the Department of Public Safety, visit [Expungements | Minnesota Department of Public Safety](#).

### Interactive mapping of the law's eligibility criteria

In 2025, the office expanded its [Social Equity Interactive Mapping Tool](#) into a comprehensive, data-driven resource for identifying Minnesota communities with the highest concentration of potentially eligible social equity applicants. The original version of the map, launched in 2024, visualized residency eligibility based solely on the geographic criteria outlined in Minnesota Statutes, section 342.17, subd. 6. The 2025 update broadened the tool's analytical scope to include data on veterans and farmers derived from U.S. Census and American Community Survey datasets.

This enhanced map integrates multiple indicators—including poverty rate, median household income, unemployment, social vulnerability, veteran population density, and the distribution of small-scale farms—to reflect the full range of eligibility categories defined under Minnesota Statutes, section 342.17. The interactive platform allows users to verify whether a location meets the statutory definition of an eligible community under Minnesota Statutes, section 342.70, subdivision 2, which specifies that “eligible community means a community where long-term residents are eligible to be social equity applicants.”

Combining geographic, socioeconomic, veteran, and agricultural data layers, the updated tool enables OCM to:

- Quantitatively assess communities with the highest density of potentially qualified social equity applicants across all eligibility categories.
- Identify priority areas for outreach, technical assistance, and reinvestment under the CanGrow and CanRenew grant programs.
- Allow Minnesotans direct access to information about the impact on their community and their potential status as a social equity applicant.

## Launch of grant programs – reinvesting in Minnesota communities

In 2025, the office launched two grant programs, CanGrow and CanRenew, as charged by the Legislature. The CanRenew grant program, administered by the DSE, provides funding for community investments that improve local outcomes through economic development, public health and wellness, youth engagement, violence prevention, and civil legal aid.

The grants team has developed the infrastructure necessary to ensure consistency, accountability, and transparency in program delivery, including a management portal, a comprehensive administration manual, and fiscal control and monitoring tools to track compliance with state grant policies. More information about the grant programs, including funded projects and implementation processes, is available in the office's [legislative reports](#) and the office's [webpage](#).

## Ombudsperson – strengthening accountability and transparency

OCM's ombudsperson became fully operational in 2025, marking a significant advancement in the office's commitment to equitable and transparent cannabis regulation. Established under Minnesota Statutes, section 342.02, subdivision 8, the ombudsperson serves as an impartial resource for addressing and resolving concerns related to equity in the cannabis industry. This includes investigating complaints, identifying systemic challenges and recommending improvements to foster fairness across the board.

In its first operational year, the ombudsperson's investigations have already led to process improvements and updated communication protocols that strengthen coordination across OCM divisions. Beyond resolving complaints, the ombudsperson program is a tangible reflection of Minnesota's broader cannabis justice reform efforts. By creating a fair, responsive, and transparent complaint process, OCM is operationalizing the state's decriminalization goals: moving from punishment to accountability, and from exclusion to inclusion. Each case reviewed is an opportunity to develop trust between the government and the public, ensuring that equity is not only legislated but lived.

## Interagency coordination

OCM continues to coordinate with partner agencies to ensure alignment across regulatory, economic, and public health priorities. In 2025, OCM partnered with the Department of Employment and Economic Development (DEED) to streamline communications regarding cannabis-related grants and licensing. This collaboration ensures consistent information sharing between agencies, improving outreach to small businesses and verified social equity applicants.

OCM also worked with the Minnesota Department of Agriculture (MDA) and its Emerging Farmers Program to promote the CanGrow grant at the Minnesota State Fair and expand outreach to farmers interested in entering the cannabis market. The partnership supports coordinated application review and technical assistance to ensure equitable participation from agricultural producers across the state.

Additionally, OCM participates in the Minnesota Department of Health's Adolescent Substance Use Disorder (SUD) Action Team, aligning on youth prevention and education resources. This partnership supports OCM's focus on responsible use education and community-based prevention strategies tied to reinvestment through CanRenew.

These partnerships strengthen OCM's ability to administer programs efficiently, ensure public safety, and align cannabis regulation with Minnesota's broader goals for health, development, and economic stability.

# Section 6: Diversity in the cannabis industry

This section presents data on racial and geographic diversity in Minnesota's cannabis industry, along with limitations and future opportunities for comprehensive analysis.

As annual renewal reporting is not required until the end of the first year of a business's licensure, data on ownership, workforce, and vendor diversity are not yet available. While more information is anticipated to be available in 2026 as the first licensed businesses undergo renewal, there will not be complete information available for a number of years. However, OCM has significantly expanded its data infrastructure to support future diversity reporting.

## Section 6.1: Adult-use cannabis industry data

Until data become available through the results of annual reporting, there is limited information currently available. Until these data are available, the office has utilized survey results to assess some trends. From 2024-2025, there were approximately 2,839 individuals approved for social equity verification. OCM verified applicants representing six of the seven eligibility criteria available in the statutory defined social equity classification (Table 5.1 on Page 24).

DSE conducted a statewide Social Equity Verified (SEV) Community Input Survey in spring 2025, reaching 2,594 verified individuals and achieving a 19% response rate. Key findings include:

- Demographic insights: Respondents were racially diverse (17% Black, 8% Native American, 8% Latino, 4% Asian or Pacific Islander, and 63% white), reflecting broader interest across demographic lines and slightly greater racial diversity than Minnesota's business ownership in general.
- Geographic trends: There are cannabis businesses in 38 counties in Minnesota, with 57% of businesses being outside of the 7-county metro area. While interest was concentrated in urban counties such as Hennepin and Ramsey, more than a dozen rural counties—including Becker, Pine, and Itasca—showed disproportionately high interest from SEV individuals relative to their population size.
- Business readiness: Approximately two-thirds of respondents had prior business ownership experience. However, regulatory and operational literacy varied widely – especially regarding tax compliance (e.g., U.S. Code Section 280E), banking, and zoning.
- Resource priorities: SEV applicants identified their top needs as access to capital, legal and zoning guidance, and business planning support. Respondents preferred practical formats such as webinars (77%), written guides (67%), and in-person training (54%).

OCM used this data to design a social equity resourcing strategy built on the continuum of readiness framework, which guides entrepreneurs from curiosity to compliance through targeted training and technical assistance (see Section 5.1 for more information).

Information, including business and address information about cannabis business license holders, is available on the office's [webpage](#). In the future, OCM will have an interactive mapping tool to look up licensed businesses and public data.

As the licensing process has continued, there is information available regarding the classification of applications selected for lottery and of licenses issued. Based on the information available about license holders as of Dec. 29, 2025, there are 119 licenses issued, 65 of which are social equity classified. Per state law, the office conducted a lottery selection process for applications submitted for four license types—cannabis cultivators, cannabis mezzobusinesses, cannabis manufacturers, and cannabis retailers—to meet the statutory requirements for the maximum number of licenses available in these four type categories. In compliance with state law, the office conducted a lottery selection first for social equity applicants, and then a second lottery selection for all applicants, including social equity applicants not selected in the first lottery. The following data summarize the percentage of classifications of applications selected in the lottery process. These applicants are now eligible to move through qualified applicant status and preliminary approval status to proceed to licensure.

**Table 6.1: Number of social equity applicants (SEAs) selected in lottery**

License type	Cultivator	Manufacturer	Mezzobusiness	Retailer
<b>Number of SEAs selected in lottery</b>	34	13	89	123
<b>Number of capped licenses</b>	50	24	100	150
<b>Proportion of SEAs selected in lottery</b>	68%	54%	89%	82%
<b>Number (%) SEAs with prior conviction selected in lottery (Criterion 1)</b>	10 (20%)	2 (8%)	22 (22%)	29 (19%)
<b>Number (%) SEAs with family conviction selected in lottery (Criterion 2)</b>	1 (2%)	3 (13%)	5 (5%)	13 (9%)
<b>Number (%) SEAs that are dependents of someone with conviction selected in lottery (Criterion 3)</b>	0 (0)	0 (0)	1 (1%)	0 (0)
<b>Number (%) SEAs with veteran status selected in lottery (Criterion 4)</b>	13 (26%)	6 (25%)	43 (43%)	56 (37%)
<b>Number (%) SEAs that are veterans who lost honorable status selected in lottery (Criterion 5)</b>	0 (0)	0 (0)	0 (0)	0 (0)
<b>Number (%) SEAs that are resident of affected area selected in lottery (Criterion 6)</b>	8 (16%)	2 (8%)	15 (15%)	24 (16%)
<b>Number (%) SEAs that are small farmers selected in lottery (Criterion 7)</b>	2 (4%)	0 (0)	3 (3%)	13 (9%)

## Section 6.2: Hemp-derived industry data

While demographic data is not collected from registered businesses, OCM will begin collecting ownership and workforce data once businesses operating under a registration convert to the LPHE license holders and the businesses are eligible for renewal. Like cannabis business licensure, diversity data is not required to be collected until the renewal process.

The office received 2,222 applications for lower-potency hemp edible business licenses in the October 2025 application window. Information, including business and address information about the hemp business license holder, is available on the office's [Application and License Holder Data webpage](#). In the future, OCM will have an interactive mapping tool to look up licensed businesses and public data.

## Section 6.3: Medical cannabis program data

In July 2024, the Division of Medical Cannabis at MDH was transitioned to the Office of Cannabis Management. The Legislature also enacted changes to the state's medical cannabis program, allowing health care practitioners to certify a patient's qualifying condition to be eligible to register with the state's medical cannabis program as a verified patient. The office has continued to manage the application and registration process for Minnesotans seeking to join the state's registry system. As of Dec. 24, 2025, there are 71,699 patients with approved enrollment who are active in the [registry](#).

The Division of Medical Cannabis collects and maintains demographic and geographic data on registered patients, including where registered patients reside. As of Oct. 1, 2025, all Minnesota counties are represented, with 55% of patients residing in the seven-county Twin Cities metropolitan area.

With the licensure of new cannabis businesses, the medical program now includes multiple new businesses that are authorized to serve medical cannabis patients. There are 23 dispensary locations licensed and/or endorsed to offer medical cannabis retail sales to registry participants across eight congressional districts, up from 15 locations last year. As additional cannabis businesses with medical retail endorsements are licensed, the office will update the [website](#).

Research published in January 2025 showed patients enrolled in the program with a pain-related condition saw improvement in their pain symptoms during the first four months of purchasing medical cannabis<sup>1</sup>. A May 2025 report found that patients with obstructive sleep apnea enrolled in Minnesota's medical cannabis program experience a noticeable improvement in their quality of sleep within four months of receiving medical cannabis<sup>2</sup>. Minnesota's medical cannabis program is unique among the states with medical cannabis programs in that it collects data about participating patients and publishes research that adds to the growing scientific knowledge base about medical cannabis.

The reports draw on data from patient enrollment, medical cannabis purchases, symptom and side-effect ratings at the time of each purchase, and survey results to describe the experiences of patients with sleep apnea and chronic pain.

## Section 6.4: Future reporting goals

As Minnesota's adult-use market matures, and as license renewal reporting requires, OCM's reporting will expand to include:

- Demographics of ownership, management and workforce.
- Vendor diversity data for contracted services.
- Economic impact by geography and license type.

OCM's renewal process, currently in development, will collect these metrics beginning with limited information expected from the first license renewal cycle in 2026 and more robust information available in 2027 as additional renewals are completed.

The absence of demographic questions in the initial licensing process underscores the state's commitment to impartiality. However, this approach limits the immediate availability of diversity data. While current data provide a foundational understanding of geographic representation in the hemp and medical cannabis sectors, the forthcoming inclusion of adult-use businesses will offer a more comprehensive view of industry diversity. Through annual reporting and the continued evolution of regulatory processes, Minnesota aims to support and track diversity within its cannabis and hemp industries, aligning with the broader goal of fostering equity and inclusion statewide.

## Section 6.5: Citations

1. Chronic Pain Patients in the Minnesota Medical Cannabis Program. Minnesota Office of Cannabis Management. Updated Jan. 31, 2025. Accessed Dec. 29, 2025.  
<https://mn.gov/ocm/dmc/data-reports/special-reports/chronicpain.jsp>
2. Obstructive Sleep Apnea in the Minnesota Medical Cannabis Program. Minnesota Office of Cannabis Management. Updated May 1, 2025. Accessed Dec. 29, 2025.  
<https://mn.gov/ocm/dmc/data-reports/special-reports/sleepapnea.jsp>

## Section 7: Legislative proposals

During the 2025 legislative session, OCM identified opportunities to build consistency and clarity to support an effective implementation of Minnesota Statutes, chapter 342. OCM's 2025 legislative recommendations targeted technical fixes, brought the office into alignment with other state agencies in Minnesota Statutes, section 10.65, clarified licensure and regulation of lower-potency hemp edibles, clarified application requirements for cannabis business licensure, and strengthened access and protections for medical cannabis patients. A summary of the changes made in the 2025 legislative session can be found on OCM's [Cannabis Law webpage](#).

As necessary in the early phases of implementation work, the office has continued to identify areas to build consistency and clarity throughout the law. The office continues to be committed to partnering with the Minnesota Legislature, local and Tribal governments, state agencies, industry, program participants, and impacted stakeholders to identify and advance legislative changes to support effective implementation.

In the 2025 session, the Legislature passed a law to task OCM with developing a legislative proposal to streamline the currently bifurcated adult-use and medical cannabis supply chains. Per state law, the proposal must allow for the cultivation, manufacturing, storage, and use of equipment in a manner that promotes efficiency, permits co-location, and authorizes the use of equipment for multiple purposes. The proposal must also preserve access to medical cannabis for rare and childhood diseases.

Following extensive engagement with stakeholders and impacted parties, survey research from medical patients and health care practitioners about the impact of the transition of the medical program to the licensing framework, and evaluation of data available from the medical program, the office has developed a draft proposal for consideration by the Legislature that streamlines the existing supply chains. The proposal aims to accomplish:

- Safeguarding the medical cannabis supply and patient protections.
- Encouraging business participation in the medical cannabis market.
- Improving fairness between cannabis licenses to allow similar activities for similar license types.
- Balancing opportunities for larger and smaller businesses aligned with the law's framework.

Like other legislative changes, this proposal would need to advance through the legislative process to enact any of its recommendations. The proposal was developed with a long-term lens and envisions changes occurring in 2027, with market buildout continuing until then.

## Section 8: Adverse effects of secondhand smoke

Secondhand smoke refers to the smoke or vapor that is either exhaled by a cannabis user or the burning end of a cannabis product. Like last year's report, this section provides information regarding known research into this issue and provides additional resources developed to educate and raise awareness.

The Minnesota Department of Health maintains a webpage ([Cannabis and Your Health](#)) on health-related impacts and information related to cannabis. OCM works in partnership with the Minnesota Department of Human Services to amplify this information for Minnesotans and remains committed to collecting and reporting information regarding the adverse effects of secondhand smoke in future reports following market launch.

### Section 8.1: Summary of research and available information

#### Adverse health effects

- Secondhand cannabis smoke exposure has been associated with:
  - Impacts on the cardiovascular and respiratory systems.<sup>1,2,14</sup>
  - Cognitive and psychoactive effects such as feeling "tired" or "high."<sup>3,4</sup>
- Preclinical studies show secondhand smoke exposure can cause issues with vascular dilation that lead to complications such as acute coronary syndrome or stroke.<sup>2,14</sup>
- Particulate matter in cannabis smoke is associated with diminished lung function and higher mortality due to lung cancer and heart disease.<sup>1</sup>
- Cannabis smoke has been found to contain the same cancer-causing compounds as tobacco smoke.<sup>2</sup>
- Limited research suggests that many adverse health effects may be due to the smoke itself, regardless of THC content.

## Cannabis vape smoke and secondhand exposure

There is little known about adverse health effects due to exposure to secondhand cannabis vapor.

- Individuals who vape or smoke cannabis regularly have a higher chance of irritation and inflammation of the lung lining tissue.<sup>10,12</sup>
- Overall, studies indicate cardiovascular and respiratory effects of secondhand exposure to cannabis vapes are like that of other cannabis products and vapes containing nicotine.<sup>7</sup>

## Ventilation and exposure

- The intensity of the adverse health effects of secondhand cannabis smoke depends on ventilation in the location of exposure.<sup>4,6</sup>
- Cognitive and psychoactive effects can be seen in both ventilated and unventilated spaces.<sup>4,6</sup>
- Children living in homes with indoor cannabis smoking have been seen to have higher odds of adverse health outcomes than those with no indoor smoking at home.<sup>5,14</sup>
  - Examples of health outcomes include coughing or difficulty breathing, diagnosis of an ear infection, bronchitis, asthma, or skin conditions. These adverse outcomes could be attributed to higher indoor air pollution from smoke in the home.<sup>4,5</sup>

More research is needed on the effects of long-term secondhand cannabis smoke exposure.

## Ways to minimize cannabis smoke exposure

- The best way to reduce secondhand cannabis smoke exposure is to avoid areas where individuals are smoking.
- When spending time with individuals who are smoking, avoid areas with poor ventilation. Instead, spending time in well-ventilated areas or outdoors reduces the risk of adverse health outcomes.

## Minnesota Clean Indoor Air Act

The Minnesota Clean Indoor Air Act prohibits the use or possession of cannabis in:

- Public school or school buses.
- State correctional facilities.
- Anywhere that the smoke aerosol or vapor could be inhaled by a minor (under the age of 21).
- Federal property (airports, courthouses, national parks).

For more information about the Minnesota Clean Indoor Air Act, please visit the [Minnesota Department of Health's website](#).

## Public awareness materials from other states

- Michigan: [Clearing the Air about Marijuana Smoke and Asthma](#)
- Maryland: [Adult Use Cannabis FAQs](#)
- New Jersey: [Safe Use and Consumption](#)

## Section 8.2: Citations, supplemental journal articles, and supporting materials from other states

### Physical, behavioral and psychological effects of secondhand cannabis smoke

1. [Association between secondhand marijuana smoke and respiratory infections in children - PubMed](#). This study looks at the potential relationship between secondhand cannabis smoke exposure and respiratory complications and emergency department or urgent care visits in children under 11 years old. Children with caregivers who report smoking cannabis had an increased rate of viral respiratory infections, but there was no difference in emergency department or urgent care visits.
2. [Cannabis Associated “High” Cardiovascular Morbidity and Mortality: Marijuana Smoke Like Tobacco Smoke? A Déjà vu/ Deja Vecu Story?](#) This article looks at the effects of cannabis use and compares it to known effects of tobacco use. A potential association between secondhand cannabis exposure and acute coronary syndrome, cardiac arrhythmia, and ischemic stroke was found.
3. [Health Effects of exposure to second-and third- hand marijuana smoke: a systematic review](#). The intensity of secondhand cannabis smoke on nonsmoking individuals depends on several factors, such as amount of smoke, ventilation, number of cannabis products lit, and the number of cannabis smokers present. Cannabinoids can be found in bodily fluids such as blood or urine due to secondhand cannabis smoke. More research is needed to determine if long term secondhand or third hand exposure (via residue that sticks to surfaces or fabrics after smoke clears) leads to any effects.

### Impact of ventilation on secondhand cannabis smoke side effects

4. [Non-Smoker Exposure to Secondhand Cannabis Smoke II: Effect of Room Ventilation on the Physiological, Subjective, and Behavioral/Cognitive Effects](#). THC can be detected in the blood of nonsmokers that are exposed to secondhand cannabis smoke regardless of the ventilation in the room. Along with this, nonsmokers can experience cognitive effects such as feeling tired, hungry, less alert, or otherwise affected by the drug, regardless of ventilation in the location of exposure.
5. [Indoor cannabis smoke and children's health](#). Homes with indoor cannabis smoking show higher indoor air pollution than those without. Children living in homes with indoor cannabis smoking had higher odds of adverse respiratory health outcomes such as asthma, bronchitis, and coughing or difficulty breathing. Limited research suggests that health effects may be due to the smoke itself regardless of THC content.
6. [Occupational Exposure to Secondhand Cannabis Smoke Among Law Enforcement Officers Providing Security at Outdoor Concert Events](#). This study examined law enforcement officers working at a concert held at an open-air venue. Secondhand cannabis smoke exposure in open-air venues can result in low levels of THC detected in urine and blood samples.

## Other citations

7. Cohn AM, Zaring-Hinkle B, Catino JD, et al. Secondhand cannabis smoke exposure and respiratory symptoms among adults living in a state with legalized medical cannabis with limited smoke-free protections. *Prev Med Rep.* 2024;45:102835. Published 2024 Jul 23. doi:10.1016/j.pmedr. 2024.102835
8. Moir D, Rickert WS, Levasseur G, et al. A comparison of mainstream and side stream cannabis and tobacco cigarette smoke produced under two machine smoking condition *Chemical Research in Toxicology.* 2008;21(2):494-502
9. National Academies of Sciences, Engineering, and Medicine. *The health effects of cannabis and cannabinoids: the current state of evidence and recommendations for research.* Washington, DC: The National Academies Press; 2017
10. Nguyen PK, Hammond SK. Fine Particulate Matter Exposure from Secondhand Cannabis Bong Smoking. *JAMA Netw Open.* 2022;5(3): e224744. doi:10.1001/jamanetworkopen. 2022.4744
11. Satybaldiyeva N, Gamst A, Oren E, Park JY, Zhu SH. Secondhand smoke exposure and asthma status among adolescents: Findings from the 2019-2020 California Student Tobacco Survey. *Prev Med Rep.* 2024;45:102842. Published 2024 Jul 27. doi:10.1016/j.pmedr. 2024.102842
12. Tashkin DP, Simmons MS, Tseng C-H. Impact of changes in regular use of cannabis and/or tobacco on chronic bronchitis. *COPD: Journal of Chronic Obstructive Pulmonary Disease.* 2012;9(4):367-374
13. Tripathi O, Parada H Jr, Sosnoff C, et al. Exposure to Secondhand Cannabis Smoke Among Children. *JAMA Netw Open.* 2025;8(1):e2455963. Published 2025 Jan 2. doi:10.1001/jamanetworkopen. 2024.55963
14. Wang X, Derakhshandeh R, Liu J, et al. One minute of cannabis secondhand smoke exposure substantially impairs vascular endothelial function *Journal of the American Heart Association.* 2016;5(8): e003858.

## Section 9: Recommendations for educational and training funding and updates on programming

Adult-use cannabis programs should aim to achieve the best outcomes for public health and safety. This requires educational and training programs be funded and implemented to provide information to consumers on the potential dangers of cannabis, responsible cannabis consumption, and risks and laws regarding driving under the influence of cannabis.

While the importance of these issues should not be underestimated, many of the items identified in section 342.04, paragraph (g), exist outside of the scope and regulatory authority of the office. Efforts are occurring across the state to address these issues more broadly, and OCM is committed to working in partnership with the state agencies, local government partners, and additional organizations best positioned to further this work as the market launches and the impact of cannabis legalization is more fully understood. This section summarizes the information available from fellow state agencies, however, availability of certain data remains limited.

## Section 9.1: Health effects related to pregnancy, breastfeeding, and young people

### Education, awareness, and prevention work at Minnesota Department of Health

To educate individuals who are breastfeeding or pregnant, consumers should be provided with medically accurate information on the potential known risks of cannabis use during breastfeeding and pregnancy. While research is still limited on the impact of cannabis use during pregnancy, the current guidance is that cannabis use should be discontinued during pregnancy and breastfeeding. Minnesota Department of Health (MDH) will continue to review scientific research and resources on the risks of cannabis use for those who are pregnant or breastfeeding, created by many other states with adult-use programs such as [Illinois](#), [Maryland](#), [Maine](#), and [Massachusetts](#).

To support this work, the original cannabis legislation appropriated funding to MDH to coordinate programming to educate pregnant and breastfeeding individuals, and those who may become pregnant, on the health risks of cannabis. MDH is leading the work to implement this grant program and released a competitive request for proposals in 2025 to partner with vendors to do research, engagement, and discovery, to inform a comprehensive prevention and education campaign for both youth and pregnant and breastfeeding people. Tunheim Partners was contracted with in the fall of 2025 to identify key outreach and media strategies, outreach to key audiences (such as healthcare providers), consumer media strategies, and more. No later than June 30, 2026, Tunheim will provide a report detailing the findings from the audience research, message development and testing with recommended language and approach by audience and planning for capacity building and engagement.

To meet immediate information needs, MDH staff created materials for use by programs within Child and Family Health Division, including WIC and Family Home Visiting, and to share statewide with community partners. Maternal and child health staff convened an internal work group, surveyed existing materials, conducted interviews with other states that have cannabis prevention and education campaigns, developed and tested messages, and created materials. Materials were finalized in July 2025:

- Fact sheet: [What to Know About Cannabis for You, Your Baby, and Young Children Fact Sheet](#)
- Fact sheet for providers: [What to Know About Cannabis Use During Pregnancy, Postpartum, and Early Childhood](#)
- [Cannabis and your baby WIC rack card](#)

In May 2025, MDH mailed a supply of the fact sheet *What to Know About Cannabis for You, Your Baby, and Young Children* to all 53 Community Health Boards throughout Minnesota.

The Child and Family Health Division also created a PowerPoint presentation on the topic of cannabis use while pregnant or breastfeeding. They presented to Help Me Grow-Twin Cities in fall 2025, with additional presentations to community partners planned for 2026.

The Child and Family Health and Injury Prevention and Mental Health divisions created a [cannabis materials webpage](#) in July 2025 to house all newly created cannabis education materials. Factsheets are available on “Cannabis 101” and “What’s legal cannabis.”

MDH will release another request for proposals in 2026 for a vendor to implement the initial recommendations for a prevention and education plan to raise awareness of the harms and risks related to substance use among pregnant and breastfeeding individuals, as well as resources for substance use recovery and treatment.

MDH has also continued to collaborate with local and Tribal public health, including the implementation of grant programs. There is more information available on MDH's website regarding [local public health](#) and [Tribal health](#).

OCM will continue to collaborate with the Minnesota Department of Health and the Department of Children, Youth and Families to assess the needs in these important areas, including the needs identified by partner organizations supporting workers in child welfare for appropriate guidance from the state, in future years.

### **Minnesota Pregnancy Risk Assessment Monitoring System (MN PRAMS)**

MN PRAMS is a collaborative surveillance program between the Centers for Disease and Prevention and MDH. The program surveys women who have recently delivered a live birth about the attitudes, behaviors and experiences before, during and immediately after birth.

Beginning in 2025, MN PRAMS implemented CDC's marijuana/cannabis supplement on maternal experiences and attitudes before, during and shortly after pregnancy, and participants' use and perceptions of marijuana and other substances. The supplement consists of 12 questions and asks if marijuana or cannabis was used before and during pregnancy, the frequency of using marijuana products, method of using marijuana, and reason for using marijuana products. Questions also ask if during their prenatal visit did a healthcare provider ask if they used marijuana, advised them not to use marijuana, and asked about their perception about breastfeeding if they used marijuana or how long to wait to breastfeed if they used marijuana.

## **Section 9.2: Youth education and model programs for students**

To support the shared priority of youth education and prevention efforts, the original cannabis legalization legislation appropriated funding to MDH to coordinate programming to raise public awareness about adverse health effects of cannabis for people under age 25. MDH efforts focus on building a foundation of education regarding cannabis in a multi-faceted approach:

- To address immediate needs, MDH developed a short-term public education awareness campaign "Be Cannabis Aware," which launched in September 2025. This campaign was developed leveraging state approved vendors on a short-term contract. Six vendors were identified, with one leading the effort and coordinating information, and five vendors assigned specific audiences (American Indians, Asian Americans, Black/African Americans, LatinX, and greater Minnesota) to assure a tailored approach for the overarching message. The focus of the campaign is to educate those ages 25 and under about cannabis use and its risk, especially for those under the age of 21. Influential adults were identified to be a secondary audience, through providing resources and supports to have a productive conversation with youth and young adults about cannabis.

- In March 2025, MDH released a request for proposals focused on youth prevention and education, using the Communities that Care (CTC) program, with 39 organizations submitting an application. Ten organizations were awarded funds for the project period June 1, 2025-May 31, 2030. Grantee organizations will navigate their identified community through CTC with technical assistance from the University of Washington Center for Communities that Care. MDH staff are in the process of receiving their CTC coach certification to support future grant cycles.
- Additionally, MDH partnered with the University of Minnesota Extension to develop and tailor a Positive Youth Development curriculum for youth workers that will include a tailored model. This project is slated to continue through June 2029. Statewide audience research, message testing, and capacity engagement regarding youth perceptions of cannabis use is also being conducted by a vendor. The project launched in October 2025 and will be ongoing through June 30, 2026.

The original cannabis law also includes a requirement for the commissioner of education, in consultation with the commissioners of health and human services, local district and school health education specialists, and other qualified experts, to identify one or more model programs that may be used to educate middle school and high school students on the health effects on children and adolescents of cannabis use and substance use. The Minnesota Department of Education (MDE) created the initial list in the spring of 2025 and schools have the option of implementing one of the programs listed or to use their own program(s) that have been identified through their local curriculum adoption process. In December 2025, the list was updated to include overdose recognition, prevention, and response based on the 2025 legislative session requirement. A rubric is also provided to support local implementation. While it is not required for a school district or charter school to use one of the programs in the list, the list and rubric provided may be useful to school districts and charter schools in their own decision-making process.

While this work is currently in the early stages, the office will work with MDE to share more information in future years.

## **Section 9.3: CanTrain, CanNavigate, CanStartup, and CanGrow grant programs**

As funded by the Minnesota Legislature, the CanTrain, CanNavigate, CanStartup, and CanGrow programs are designed to support individuals and organizations in the cannabis industry through grants, aiding in understanding and navigating the regulatory landscape, application processes, and business operations.

To support the work to launch the CanTrain, CanNavigate, and CanStartup programs, the original cannabis legalization legislation appropriated ongoing funding for the Department of Employment and Economic Development (DEED). DEED is the leading agency responsible for the management of these three grant programs specifically, and OCM is the leading agency responsible for the management of the CanGrow grant program in consultation with the Department of Agriculture. This section includes brief updates on the implementation of all four grant programs.

## CanNavigate

The Cannabis Industry Navigation Program (CanNavigate) awards grants to qualified organizations to help individuals navigate the regulatory structure of the legal cannabis industry in Minnesota. The agency is currently working with grantees on the development of programs and materials. More information about the CanNavigate grant program is available on [DEED's website](#).

## CanTrain

The CanTrain grant program funds eligible organizations to provide relevant training to individuals and/or to develop training programs specific to the legal cannabis industry. Funds are also eligible to be used to provide scholarships to eligible individuals to pursue a training program relevant to a career in the legal cannabis industry including tuition, fees, and materials cost. Organizations were eligible to apply for up to \$500,000 total in state funds through the request for proposal (RFP). The amount of the request needed to include the geographic reach, scale and comprehensiveness of the expertise and services that the grant-supported project will provide.

Five organizations were awarded CanTrain grants: Minneapolis Community and Technical College, Minneapolis Training Partnerships, White Earth Tribal and Community College, Urban League Twin Cities, and Minnesota Cannabis College. Contracts for the five awarded projects began fall of 2025, with the ability to spend funds through June 2027. More information about the CanTrain grant program is available on [DEED's website](#).

## CanStartup

The Cannabis Industry Startup Financing Grant (CanStartup) program awards grants to nonprofit corporations to fund loans to new cannabis microbusinesses. The goal of this program is to support small business, job creation, especially to communities where long-term residents are eligible to be social equity applicants. Nonprofit organizations use grant funds to finance loans for new microbusinesses in the legal cannabis industry that are not like to undertake the project for which loans are sought without the assistance from this program. The first CanStartup RFP was posted in March 2025. The office is currently working with an approved lender on reviewing loan applications and anticipates additional projects progressing toward review in the new year. The office is also evaluating the option of opening an additional RFP for this program based on updates in the program this fall. More information about the CanStartup program, including approved lenders, is available on [DEED's website](#).

## CanGrow

CanGrow grants support organizations in guiding farmers through the legal cannabis industry's regulatory structure and offers loans to aid their entry into the industry. OCM collaborates with the Minnesota Department of Agriculture (MDA) to manage the CanGrow program. In April 2025, OCM released its first CanGrow farmer loan grant request for proposals (RFP), with nearly \$3 million available. This competitive round of funding was for nonprofit organizations capable of originating and managing low-interest loans, as well as to organizations delivering training and technical assistance for farmers preparing to enter Minnesota's legal cannabis market. More information about the CanGrow grant program is available in the [legislative report summaries](#) and on [OCM's website](#).

## Section 9.4: CanRenew community reinvestment grant program

The [CanRenew](#) program provides grants to organizations for community development in social equity communities. CanRenew provides funding for community investments that improve local outcomes through economic development, public health and wellness, youth engagement, violence prevention, and civil legal aid. The original cannabis legalization legislation appropriated \$1 million in fiscal year 2025, and \$15 million per year each year thereafter. However, the Legislature enacted reductions to the CanRenew grant program funding as part of the 2026-27 biennial budget agreement. There is now \$10.6 million appropriated in fiscal year 2026 for the CanRenew program.

The office administers the grants in accordance with the criteria outlined in statute and has prioritized stakeholder engagement through community-hosted sessions and working with nonprofit hubs and smaller community organizations throughout the state.

In 2025, OCM completed the first funding round of the CanRenew program, awarding \$1 million in total across grants to 12 organizations. Demand for the program far exceeded available resources as appropriated, with 153 applications requesting more than \$22 million in funding. This response underscores the depth of community interest for investments that promote development, stability and safety – the guiding principles of Minnesota's social equity framework. More information about the CanRenew grant program is available in the [legislative report summaries](#) and on [OCM's website](#). The office will continue to provide information as implementation of the grant program continues and will utilize the forthcoming information to help ascertain funding recommendations for future years.

## Section 9.5: Law enforcement

As all partners, including law enforcement, work together to implement the cannabis legalization legislation, trainings for law enforcement are crucial to ensure that officers are well-equipped to manage traffic stops, driving-under-the-influence-of-cannabis (DUIC) incidents, searches, and seizures under the new cannabis laws. Additionally, trainings can familiarize officers with effective drug recognition skills, possession limits, usage regulations, and the cultural uses of sage and distinctions between use of sage and use of cannabis. The goal is to enforce cannabis laws effectively and equitably.

To support training work, the legislation appropriated \$10 million in fiscal year 2024 and \$5 million in fiscal year 2025 to the Department of Public Safety's Office of Traffic Safety. Since July 2023, the Department of Safety reports 85 drug-recognition experts and 16 drug-recognition expert instructors have been trained.

Additionally, there continues to be limited information available to the office regarding transition of drug detection canines. The office will continue to work with relevant regulatory bodies and local law enforcement agencies to determine if there are any needs specific to this initiative.

As the implementation of the law is still in the early stages, there is still information to learn about the full impact of the new changes and what needs different partners, including law enforcement, may have to do their jobs effectively. The office has been in dialogue with the Minnesota Chiefs of Police, the Minnesota Sheriff's Association, and the County Attorneys Association to determine how best to coordinate efforts as the market is launched. These organizations have previously identified their recommendation to ensure that in the event of any new training requirements, there are funds to match to support implementation.

## Section 9.6: Social service agencies

Funding is essential for the Departments of Human Services and Health and county-level social service agencies to support programs that bolster public health. This financial support is crucial for providing these agencies with resources for cannabis use disorder (CUD) and substance use disorder (SUD) work. The original cannabis legalization appropriated funding to support a substance use treatment, recovery, and prevention grant account. This grant program was determined to be most effectively managed by MDH. As noted in Section 5, OCM participates in the Minnesota Department of Health's Adolescent Substance Use Disorder (SUD) Action Team, aligning on youth prevention and education resources. The office will continue to work with MDH and other relevant agencies to assess any new needs to support public health and safety as implementation continues.

Additionally, the office has continued to engage with local government partners during the implementation of chapter 342. Through this continued engagement, the office has received feedback from local government associations regarding the impact of the changes enacted in the 2025 legislative session and the new biennial budget framework for the 2026-27 biennium that no longer includes dedicated state funding for a local government cannabis aid account. The partners have identified this as a continued point of concern in their efforts to implement the law.

## Conclusion

The office remains committed to fostering an equitable cannabis industry that prioritizes public health and safety, consumer confidence, and market integrity. The office continues to work to implement chapter 342 and launch a regulatory system to support an adult-use cannabis market in Minnesota, while also managing the existing medical cannabis program and extensive hemp-derived cannabinoid product market.

While the office and businesses across the state met several key milestones this past year, the adult-use cannabis market is still in early phases of industry growth. As the foundational pieces of a more mature market have been established, the office will continue to report on market progress in the months ahead.

Furthermore, the office also recognizes the importance of data as a critical factor in the office's ability to effectively regulate cannabis and is committed to expanding data collection and analysis. While there is not yet comprehensive data regarding the program's outcomes, impact on public health and safety, social equity, and industry diversity, the office expects this ongoing data collection will inform future reports to the legislature and the public in future years.