

Responses to Questions from October 7 Lower-Potency Hemp Edible Webinar

On October 7, 2025, OCM held an informational webinar to guide attendees through the lower-potency hemp edible (LPHE) licensing process. Below are responses to some of the questions asked during the webinar. Responses to additional questions will be added to this document as they are available. For more information, visit mn.gov/ocm.

Licensing Process and Timing

Can a business apply for lower-potency hemp edible (LPHE) licensing after October 31?

- No. This is the only announced window for license applications or site registrations. OCM anticipates reopening for additional applications in 2026, however, any future window dates are yet to be determined and will be announced.

Why does licensing end? What if I purchase a liquor store in April 2026 and want to sell LPHE?

- The window closes October 31 at noon CDT. The only announced window for submitting lower-potency hemp business license applications or site registrations is October 1 – October 31, 2025. OCM anticipates hosting future windows to accommodate new businesses and changes to existing license holders.

Can local registration of an LPHE business occur simultaneously as the business obtains a license from OCM? Or must preapproval occur first?

- All LPHE retailers are required to obtain local retail registration *in addition to* licensure. Depending on the local government's process for local retail registration, LPHE retailers may be able to apply with their local government before receiving their license from OCM to prepare. We recommend this approach.
- Applicants and license holders should work directly with local governments to obtain a retail registration.
- Local governments may charge an initial retail registration fee of up to \$125 per location. Retail registrations may only be issued by the local government after a business receives a license from OCM, the business pays the local retail registration fee, and, if applicable, the business passes any preliminary compliance checks conducted by the local government and is found to be in good standing on any applicable property taxes and assessments.
- As businesses prepare to apply for LPHE retailer licenses during the October 1 – October 31 application window, they are encouraged to begin conversations with local governments early to understand the process to obtain a local retail registration after OCM issues the hemp business license.

Will out-of-state wholesale hemp distributors be eligible for this license? If not, would a Minnesota business registration with OCM be sufficient for legal sales?

- To apply for a Minnesota LPHE license, a company *must* have a physical business location in Minnesota. While there is no residency requirement to apply for a cannabis or hemp license, all hemp and cannabis businesses licensed in Minnesota must maintain a physical location within the state and must be registered with the Minnesota Secretary of State. OCM cannot license businesses outside of Minnesota's jurisdiction.

Would an out-of-state business be able to get a retailer's license?

- To apply for a Minnesota LPHE license, a company must have a physical business location in Minnesota. While there is no residency requirement to apply for a cannabis or hemp license, all hemp and cannabis businesses licensed in Minnesota must maintain a physical location within the state and must be registered with the Minnesota Secretary of State. OCM cannot license businesses outside of Minnesota's jurisdiction.

If our product is made by a manufacturer in Minnesota but we are out-of-state and sell to distributors, what license do we need?

- For specific business decisions, please refer to the [OCM Hemp Registrant to License Holder Conversion Guide](#) and [Hemp Businesses in Minnesota: A guide for lower-potency hemp edible license applicants](#), and consult an attorney.

How do you get a delivery endorsement without an LPHE Retailer license?

- To deliver lower-potency hemp edible (LPHE) products to a consumer, a business is required to obtain an LPHE Retailer license and a delivery endorsement. With the LPHE retailer license, the business can then obtain either a retail endorsement, a delivery endorsement, or both a retail endorsement and a delivery endorsement.
- An LPHE retailer business can operate only as a delivery business and not operate a retail location if they only obtain a delivery endorsement and not the retail endorsement. Local retail registration is not required for a delivery-only LPHE retailer business.

License Type Clarification

Do I need to obtain an LPHE license with my microbusiness retail endorsement to sell LPHEs at my dispensary?

- A licensed cannabis microbusiness may sell LPHE products if it has a retail endorsement and local retail registration. A business may not simultaneously hold a cannabis and an LPHE license.

Our LPHE brand operates without a physical retail location, selling online and through wholesale. Should we apply for an LPHE wholesaler license, retailer license, or both?

- OCM cannot provide legal advice for specific business decisions. Please review [Hemp Businesses in Minnesota: A guide for lower-potency hemp edible license applicants](#) and/or consult with an attorney for more information.

If I'm an LPHE owner but outsource manufacturing, what license should I apply for?

- OCM cannot provide legal advice for specific business decisions. Please review [Hemp Businesses in Minnesota: A guide for lower-potency hemp edible license applicants](#) and/or consult with an attorney for more information.

We are an LPHE brand that uses a 3PL for e-commerce and storage. What license do we need?

- OCM cannot provide legal advice for specific business decisions. Please review [Hemp Businesses in Minnesota: A guide for lower-potency hemp edible license applicants](#) and/or consult with an attorney for more information.

If I'm a third-party logistics (3PL) company fulfilling direct-to-consumer (D2C) orders for brands, do I or the brands need a license?

- Under Minnesota Statutes, chapter 342, LPHE retailers are not permitted to ship directly to consumers. Minnesota Statutes, section 342.46, subdivision 3, requires that before initiating a sale or completing a delivery, an employee of the LPHE retailer must verify that the customer is at least 21 years of age and subdivision 7 further prohibits the sale to a person who is visibly intoxicated. Subdivision 3 requires that the requirements in [section 342.27](#), subdivision 4, apply to a hemp business's verification of a customer's age.
- This means the only permissible means by which an LPHE product may be provided to a customer outside of a retail location is through delivery. LPHE retailer businesses may obtain a delivery endorsement and deliver products directly to a consumer.
- OCM cannot provide legal advice for specific business decisions. Please review [Hemp Businesses in Minnesota: A guide for lower-potency hemp edible license applicants](#) and/or consult with an attorney for more information.

We are a manufacturer that contracts beverage and edible production out of state. What licenses are required to transport and deliver finished goods to our Minnesota wholesaler?

- An LPHE wholesaler license with an LPHE importer endorsement is required to import LPHEs that are manufactured outside of the state of Minnesota. The importer endorsement is only available to LPHE wholesaler license holders and cannabis wholesaler license holders per state law.

Are retailers allowed to import LPHEs from out-of-state for retail sale with just a retail license, or must they go through a wholesaler?

- LPHE retailers must work with a licensed LPHE wholesaler or cannabis wholesaler who has an LPHE importer endorsement. The importer endorsement is only available to LPHE-wholesaler license holders and cannabis wholesaler license holders per state law.

License Fees and Ownership

Is the \$10,000 LPHE wholesaler license fee per location, or can one license cover multiple approved sites?

- An LPHE wholesaler can register more than one site under the license application. The LPHE wholesaler application and license fees, as specified in [Minnesota Statutes, section 342.11](#), are per application and license, not site.

What qualifies as “ownership?” Is there a percentage threshold (e.g., more than 20%)?

- Any percentage of ownership of an LPHE business qualifies and prohibits the owner from also owning any percentage of a cannabis business.

Is every investor, even those without operational control, required to complete a background check?

- Background checks are not required for LPHE license applicants.

If an owner has multiple LLCs, does each require its own license?

- Please contact OCM customer service at cannabis.info@state.mn.us to provide more information.

Labeling, Packaging and Product Rules

Why was the use of a QR code eliminated?

- Chapter 342, as passed by the Legislature in 2023, requires certain information to be affixed to the label, which must be on the package. That means a QR code would not suffice for the label requirements in section 342.63. This is different from requirements under section 151.72, which included temporary regulations for hemp-derived products. A QR code could still be utilized by a licensed hemp business to show additional information, like testing results (a certificate of analysis or COA). Section 342.63 requires confirmation of testing but does not require the specific COA. The COA must be available upon request. A legislative amendment is needed to change these requirements to allow use of a QR code for required label information.

What needs to appear on a marketing layer for LPHE products (e.g., 12-pack of four beverage types)?

- Please refer to our [Packaging and Labeling website](#), which includes a downloadable **Packaging and Labeling Guide for Cannabis and Lower-Potency Hemp Edible Products Guide**, as well as [Minnesota Statutes section 342.63](#) and applicable rules, for required packaging information.

Applications

What can I do if I made a mistake on my LPHE application or forgot to include an upload?

- For specific application questions or clarifications, please reach out to OCM's customer service team at cannabis.info@state.mn.us.

What is required in a site diagram for LPHE manufacturers?

- LPHE manufacturer businesses must comply with state and local building, fire, and zoning codes, requirements, and regulations. Further, all hemp manufacturing must take place in a facility and on equipment that meets the applicable health and safety requirements established by the office, including requirements for cleaning and testing machinery between production of different products. See Minnesota Statutes, section 342.45, subds. 2, 6.
- To demonstrate compliance with these requirements, applicants for an LPHE manufacturer license must submit a site diagram of the physical layout of the facility that includes requirements requested in the online fillable form. Review the instructions for site diagram: [Lower-Potency Hemp Edible Manufacturer Site Diagram Instructions and Example](#).
- For items marked "if applicable" in the instructions for the diagram, applicants should add the items to the diagram only if the business already has them in place. However, items marked "if applicable" are not required information and will not impact licensing review if they are not included.
- The diagram is not required to be done electronically, it can be done in any format—including drawn by hand—that works best for the business to demonstrate the requirements.

How does a store receive a manifest in Metrc for in-state LPHE products?

- LPHE products do not need to be tracked in Metrc, the statewide seed-to-sale monitoring system.

Product-Specific and Sales Questions

Can a licensed cannabis retailer (adult-use dispensary) sell LPHE drinks or gummies?

- Yes, a licensed cannabis retailer with local retail registration is authorized to sell LPHEs in addition to adult-use cannabis products.

Can a retailer host a product tasting provided by a wholesaler without a consumption endorsement?

- No. LPHEs may only be consumed on-site at an LPHE retailer business if the license holder holds an on-site consumption endorsement.

Will insurance be required for on-premises consumption of LPHEs, similar to “dram shop” limits?

- LPHEs may be consumed on-site at an LPHE retailer business if the license holder holds an on-site consumption endorsement. An LPHE retailer that does not possess a license issued under chapter 340A is required to maintain liability insurance meeting the requirements of section 340A.09 or provide documentation that the license holder has liability insurance of an equal level of coverage for on-site consumption activity.

When in 2026 will the appeal process for banned products be available?

- The petitions process will be available in July 2026. OCM will share information in advance of this window. Please see [Minnesota Rules, part 9810.1003](#) for more information about the petitions process.

Government communication and coordination

How will OCM stay in communication with local governments about business licensing progress? How can communication with local governments be improved to share updates on where businesses are in the process?

- Local governments may request information from OCM. Please contact OCM’s customer service center at cannabis.info@state.mn.us.
- OCM has a host of resources on our [Local Governments webpage](#). We developed [A Guide for Local Government on Adult-Use Cannabis and Lower-Potency Hemp Edible Licenses](#) to outline steps in the license application process for local governments and applicants.
- OCM publishes summary application data on the summary application dashboard weekly: [Summary Application Data / Office of Cannabis Management](#).
- Distinct from cannabis business licensing, state law does not require OCM to contact local governments for approval of hemp business licensing. Instead, applicants are required to attest in their application that they are working with their proposed local government to ensure compliance with all relevant local laws and regulations. Receiving an LPHE retailer license does not guarantee that the business can operate in a specific locality if local approval is not granted. Once a license is issued, OCM will notify the respective locality through Accela.

When will Minnesota Statutes, section 342.455, be published and available for public view?

- Statutes are published by the Revisor’s Office, a nonpartisan office of the Minnesota Legislature. OCM will post a link to the published statute when available. In the interim, 342.455 can be found in section 76 of [Chapter 31 - MN Laws](#).