

# Proposal to Streamline Minnesota's Medical and Adult-Use Supply Chains

The Minnesota Legislature tasked the Office of Cannabis Management (OCM) with developing a proposal to streamline the adult-use and medical cannabis supply chains to ensure continued access to medical cannabis. Under current law, cannabis businesses must keep medical and adult-use business activities and products entirely separate. OCM's proposal alleviates this burden on license holders and increases participation in the medical market. Through robust engagement, OCM developed this proposal to support equity among license types.



Current medical activities and product inventories



Current adult-use activities and product inventories

## Four key provisions



Proposal merges medical and adult-use activities and product inventories

## Four key provisions



### 1 Safeguards the medical cannabis supply and patient protections

#### Medical cannabis retail businesses

Would have to:



employ a licensed pharmacist or a certified medical cannabis consultant (CMCC)



establish priority service for patients



ensure all high-need medical products are available

Would no longer have to:



separate product inventories for medical and adult-use markets\*

\*Except for specialized medical cannabinoid products

#### Patients

Would have continued access to:



medical cannabis products that aren't limited in potency like adult-use products



medical products that contain hemp-derived cannabinoids

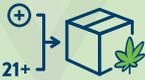
## 2 Encourages businesses to participate in the medical cannabis market

### Cultivation

Cultivators serving the medical market:



could increase their canopy by 20%, if they sell one-quarter of their harvest to other medical cannabis businesses



would no longer have to separate their activities and inventories for medical and adult-use products

### Manufacturing

Manufacturers creating high-need medical products:



could increase their manufacturing limits by 25%



would no longer have to separate their activities and inventories for medical and adult-use products

### Retail

Retail businesses serving the medical market:



would be eligible for additional retail locations, as long as they sell medical cannabis and operate in areas identified as high need

## 3 Ensures fairness between cannabis licenses

The proposal authorizes cannabis microbusinesses and mezzobusinesses that serve the medical market as well to conduct activities that already exist for medical cannabis combination businesses.

### Retail

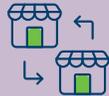
All retail businesses with a medical endorsement:



could deliver products to registered patients and designated caregivers

### Microbusinesses and mezzobusinesses

All microbusinesses and mezzobusinesses with a medical cannabis endorsement:



could transport products to other cannabis businesses



could sell and transport LPHEs to LPHE retailers and wholesalers

## 4 Balances opportunities for larger and smaller businesses

The proposal replaces the existing medical cannabis combination business license with the macrobusiness license to better align with the existing microbusiness and mezzobusiness licenses (which also allow vertical integration). Macrobusinesses would be the only license **required** to serve the medical market. The proposal also creates a reclassification petition process existing microbusinesses and mezzobusinesses can use to grow their business and convert to larger license types. Social equity operators would have guaranteed opportunities within the reclassification process.

### Macrobusinesses could



cultivate up to 45,000 sq. ft. – three times the size of mezzobusiness plant canopy (which is three times that of a microbusiness)



manufacture the same amount of product allowed under the current medical cannabis combination license



have up to eight retail locations, equal to the current number a medical cannabis combination business may have

### Macrobusinesses would have to



serve patients in the medical cannabis market



manufacture high-need medical products



operate retail locations in high-need areas with consistent supply and priority service to patients

Read the full proposal at

[mn.gov/ocm/streamline](https://mn.gov/ocm/streamline)