

# Minnesota Grants First Recreational Cannabis Cultivation License

## Minnesota Launches Adult-Use Cannabis Industry With First License Issued to Cultivator Herb Quest

Minnesota has taken a historic step in the rollout of its adult-use cannabis industry by issuing the state's first recreational marijuana business license. The Office of Cannabis Management (OCM) announced that Herb Quest, a microbusiness based in Brook Park, has received official approval to begin operations, starting with outdoor cannabis cultivation.

This milestone marks the tangible beginning of legal adult-use cannabis in Minnesota, nearly a year after legislation was passed to legalize recreational marijuana for adults 21 and older. Herb Quest's early entry into the market symbolizes broader progress toward developing the state's comprehensive regulatory framework.

### Herb Quest Will Begin Cannabis Cultivation in Brook Park, North of Minneapolis

Herb Quest is located in Brook Park, a small town roughly 70 miles north of Minneapolis. As a licensed microbusiness, Herb Quest has the advantage of vertical integration under Minnesota's cannabis law, meaning it can eventually grow, process, and sell cannabis products on-site—though it will initially begin by cultivating cannabis outdoors.

Microbusinesses like Herb Quest are a key part of Minnesota's cannabis strategy, offering smaller operators an entry point into a tightly regulated market and encouraging community-level entrepreneurship. The license allows Herb Quest to start preparing for the first harvests, which could be available to consumers by mid-2025 when retail sales are expected to commence statewide.

### More Than 600 Businesses Are Nearing the Final Stages of Licensure

While Herb Quest is the first business to receive a formal license, it is far from alone in the process. The OCM confirmed that more than 600 businesses are currently in the final stages of completing their applications, including securing approvals from local governments and meeting required compliance benchmarks.

This surge of activity follows the May lottery draw, in which Minnesota regulators selected 249 winners for conditional adult-use cannabis permits. These businesses still need to clear several hurdles before receiving preliminary licensure, including:

- Passing criminal background checks.
- Securing a labor peace agreement with a bona fide labor organization.

Once these criteria are met, the selected applicants can move forward toward receiving their own licenses to operate in the state's adult-use cannabis economy.

## **Expanded Social Equity Criteria Are Being Applied Retroactively to Pending Applications**

In an important policy adjustment, Minnesota has revised the qualifications for social equity applicants to broaden eligibility. Under the new guidelines, individuals who have received stays of adjudication and adjudications of delinquency are now considered for social equity status.

This change is significant for applicants who were previously denied status due to more restrictive criteria. According to the OCM, these applicants will have their applications reviewed again under the updated standards. Those who now meet the requirements will be notified of their verified status.

Furthermore, the OCM has announced a new verification window for individuals who wish to establish their eligibility for social equity status. The agency will accept applications for social equity verification from 12:01 a.m. CT on July 7 through 11:59 p.m. CT on July 21.

This renewed opportunity to qualify under social equity criteria reflects Minnesota's commitment to a fair and inclusive cannabis marketplace, prioritizing individuals and communities disproportionately impacted by previous cannabis prohibition.

## **August Will Mark a New Chapter for Testing Labs and Cannabis Event Organizers**

In addition to licensing cultivators and retailers, Minnesota regulators are preparing for the next phase of the market rollout. On **August 1**, two major initiatives will begin:

- 1. Applications will open for cannabis testing laboratories:**

These facilities are critical to ensuring that all cannabis products sold in the state meet safety and potency standards. Rigorous lab testing for contaminants, cannabinoid content, and product consistency is a cornerstone of a safe and transparent market.

- 2. Licensing begins for cannabis event organizers:**

The OCM will begin accepting applications from individuals and businesses seeking to host cannabis-related events. These events must be limited to adults 21 and older and can include on-site sales and consumption of adult-use cannabis, lower-potency hemp edibles, and hemp-derived products.

Importantly, the consumption or sale of alcohol is strictly prohibited at these events to prevent co-intoxication risks. This regulation aims to create a safe, controlled environment for adults to engage with cannabis products in a social setting.

## **Minnesota's Recreational Cannabis Market Is Taking Shape Step by Step**

The issuance of the first license to Herb Quest and the forthcoming rollout of additional business categories signal that Minnesota's adult-use cannabis market is coming to life—albeit deliberately and methodically. Regulators have been careful to balance rapid implementation with public safety, equity, and compliance concerns.

Minnesota's approach is notably inclusive, with a clear focus on social equity, small business participation, and strong public health protections. By issuing its first license to a microbusiness, the state is encouraging equitable market access and establishing a foundation for diverse participation in the cannabis industry.

The slow but steady licensing process, the re-evaluation of social equity applicants, and the phased approach to expanding cannabis-related business categories indicate that Minnesota is committed to building a stable, sustainable, and socially responsible adult-use market.

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