



FY25 Cannabis Industry Navigation Grants Annual Report

As required by 2023 Minn. Laws, Chap. 63, Sec.2 Subd. 1

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Table of Contents

Contents

Program History	4
Overview	4
Timeline	5
Program Results	5
Highlights	5
Outcomes.....	6
Grantee Review.....	6
Conclusion	6

Program History

The Cannabis Industry Navigation Grant program (CanNavigate) was passed into law in 2023. CanNavigate, authorized in Minn. Stat. § 116J.6595, is housed at the Department of Employment and Economic Development (DEED). The grant program was designed to accompany the legalization of adult-use cannabis in Minnesota. The program's goal is to award grants to eligible organizations to help individuals navigate the regulatory structure of the legal cannabis industry. It was initially funded with \$1 million in each year for the biennium. Eligible organizations include any organization capable of helping individuals navigate the regulatory structure of the legal cannabis industry, particularly individuals facing barriers to education or employment, and may include educational institutions, nonprofit organizations, private businesses, community groups, units of local government, or partnerships between different types of organizations. The CanNavigate program was accompanied by two complementary programs administered by the DEED: the Cannabis Industry Training Grants program and the Cannabis Industry Startup Financing program. All three grant programs aim to support small-business development and access to careers in the Minnesota adult-use cannabis market.

Laws of Minnesota 2025, 1st Special Session, chapter 6, art. 1, sec. 2, subd. 2(t), enacted during the 2025 legislative session, appropriated \$750,000 for CanNavigate in each year of the FY26-FY27 biennium.

Overview

The development of technical assistance resources and the delivery of technical assistance or navigation services will support Minnesota entrepreneurs and small business owners as they seek to enter and succeed in the Minnesota legal adult-use cannabis industry. Through this program, individuals seeking to start or grow a business in the legal cannabis industry will have access to timely high-quality information and regulatory navigation services from trusted experts and community-based organizations. This guidance will help individuals make sound business decisions and comply with regulations as they seek to enter the legal cannabis industry in Minnesota. In particular, these grants are intended to serve individuals from communities that have historically experienced a disproportionate, negative impact from the enforcement of cannabis prohibition.

The objectives of CanNavigate grants include:

- Accelerated market entry and growth for individuals ready to start or grow a business
- Cost & risk avoidance for individuals considering entry into the Minnesota cannabis industry
- Reduced compliance risks, costs and infractions for cannabis business operators
- Opportunities for economic development and wealth building in communities that have been negatively impacted by the enforcement of cannabis prohibition, reducing economic disparities and promoting community vitality

The request for proposal (RFP) was released on March 10, 2025 and proposals were due on April 11, 2025. In response to the RFP, DEED received 12 proposals requesting a total of \$7,005,658. A review committee composed of six individuals scored proposals on a 100-point scale to arrive at average scores and ranks. The review committee was made up of staff from DEED and the Office of Cannabis Management, and a stakeholder from the cannabis industry. All committee members were vetted for potential conflicts of interest. Their scores

were submitted to program staff and used as the basis for award recommendations. The final award recommendations take into account the proposal's average score, the proposal's rank and other strategic goals such as balanced geographic distribution of funding and targeted group equity goals. Following the review committee recommendation, DEED awarded three grants to organizations. The organizations are currently at different points in the contracting process; two have fully executed contracts and one is still being evaluated in the pre-award risk assessment phase.

Timeline

RFP posted on the DEED website: March 10, 2025

Informational webinar: March 18, 2025

Questions accepted via email: March 10 to April 4, 2025

Proposals due no later than 4:00 p.m. CST: April 11, 2025

Award notification: July 2025

Grant start date: October 1, 2025

Grant end date: June 30, 2026

Program Results

Highlights

Each organization awarded hits on a number of DEED's objectives within this program. Grantees will offer services through one-to-one consultations, cohort-based learning, and various forms of publications. Expertise will be offered in many different areas for new cannabis businesses including the following:

- Legal services
- Taxation & Accounting
- Banking & Financial Services
- Licensing & Permitting
- Marketing Compliance
- Production, Testing & Distribution Compliance
- Land Use, Environmental & Zoning
- Employment & Operational Compliance
- Security & Risk Management

All three of the organizations selected certify that at least 35% of participants in the program will be located outside of the Twin Cities 7-county metro area and that at least 50% of participants will be individuals facing barriers to education, employment, and/or eligible to qualify as a social equity applicant.

Outcomes

The three awarded grantees are projected to assist 1200 participants through programming supported by CanNavigate.

Grantee Review

Due to the adult-use cannabis industry being new to Minnesota, greater levels of due diligence were applied to grantees.

Conclusion

The CanNavigate grant program is currently underway with grantees beginning to launch their assistance programs. Outcomes and outputs will be collected on a regular basis and any adjustments to the program will be made as needed.