



frontline

The Official Monthly Publication of the Minnesota Grocers Association

October 2023

Hemp-Derived Cannabinoid Compliance

As retailers and consumers come to grips with the new state laws regarding the sale and use of cannabis products, understandably, there is confusion. The MGA team is always available to support your concerns. Below is a snapshot of the basic rules and some commonly asked questions.

Current rules are being enforced by the Department of Health until the newly created Office of Cannabis Management (OCM) is up and running on March 1, 2025. Following that date, it is expected that there will be additional guidelines and licensing. **SB**

What THC products can a retailer sell? Edible cannabinoid products and products applied externally to the body are properly labeled and contain no more than 0.3% THC. Edibles can contain up to 5 mg of hemp-derived THC per serving and have a maximum of 50 mg per package. Beverages can contain two servings of up to 5 mg of hemp-derived THC per container for a total of 10 mg.

What types of products are not allowed? Products that are not edible and contain non-intoxicating cannabinoids may not be sold if they are intended to be smoked, vaped, chewed, swallowed, drank, injected, or absorbed through a mucous membrane.

Edibles cannot be modeled after brands of products primarily consumed by or marketed to children or that bear the likeness of or contain cartoon-like characteristics of a real or fictional person, animal, or fruit that appeals to children. Products cannot contain any synthetic cannabinoids. Products cannot mix CBD/THC with alcoholic beverages.

Are there selling restrictions for cannabis products? Edible products other than products intended to be consumed as a beverage must be displayed in a locked case or behind a checkout counter where the public is not permitted.

Can liquor stores sell products containing CBD, Hemp, or THC?

Liquor retailers can sell lower-potency, hemp-derived THC edibles and beverages to consumers over 21 years old. All applicable retailing rules must be followed.



Is there an age requirement for cashiers to sell THC/CBD products? There is no age requirement for sellers. Consumers must be 21 years old to purchase.

Are cities and counties allowed to regulate the sale of these products?

Until the OCM is in place, municipal governments can establish rules regarding the sale of lower-potency THC products. Many municipalities have already implemented moratoriums on the sale of products containing THC.

Is there a tax on cannabis products?

Starting July 1, 2023, all sellers of taxable cannabis products must register with the Minnesota Department of Revenue (DOR) to remit the new Cannabis Tax. The Cannabis Tax is 10% of gross receipts from retail sales of taxable cannabis products. Nonintoxicating topical products are not subject to the Cannabis Tax, however, they are subject to the 6.875% state general rate sales tax and any applicable local sales taxes based on where the transaction takes place.

Can THC products be delivered?

State law does not prohibit the delivery of hemp-derived cannabinoid products. However, prior to initiating a sale and prior to providing a product, an employee of the retailer must verify that the person to whom the product is being provided is at least 21 years of age. Keep in mind, that once the OCM takes control of regulations in 2025, the requirements for the delivery of cannabis products become much more onerous, including additional licensing, tracking, reporting, and delivery requirements.

2024 Legislative Sponsorships



Becoming an MGA Legislative Sponsor supports our efforts in advocacy for industry in St. Paul. A legislative sponsorship is an investment in your business. Sponsors receive recognition throughout the year in all of our legislative updates, publications, and events. Thank you to **Kowalski's Companies, Inc.** and **Kwik Trip, Inc.** for your early sponsorships! See insert. **SB**

2023 MGA Bag Hunger Campaign

The MGA's Bag Hunger Campaign brings together retail members, vendor partners, and customers to fill local food shelves all across the state. The campaign starts on **October 22 and runs thru November 11**. This partnership engages Minnesotans in the fight to Bag Hunger in their neighborhoods.



We want to thank this year's generous sponsors: **Country Hearth/Pan-O-Gold Baking Company, Crystal Farms Dairy Company, Faribault Foods, Inc., Hormel, KEMPS, Keurig/7UP, Land O'Frost, Old Dutch Foods, Inc., Post Consumer Brands, Prairie Farms Dairy, Reyes Coca-Cola, and Russ Davis Wholesale.**

Together we create a unified, proactive approach to ending hunger. Participation in this program is an excellent way to reinforce the role industry plays in local communities while demonstrating how we work together to produce a positive impact on a crucial social issue. Start designing your displays and marketing – see insert on execution tips. **KA**

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Minnesota Grown Retailer of the Year Submissions

There is still time to turn in your Minnesota Grown Submissions – the entry submission deadline is **October 13, 2023**. This is a partnership between the MGA and the Minnesota Department of Agriculture (MDA) and there are six categories of winners for each Minnesota region, based on county borders. This year's contest is based on promotional activities of locally grown foods, beers, wines, and spirits during a one-week showcase period, which was held from August 1 – September 29. Contest winners will receive exclusive rights to utilize the coveted "Minnesota Grown" logo for one year. Submit today to be named one of the 2023 – 2024 Retailers of the Year. **ST**



MGA Online Checkout

The MGA's Online Checkout Webinar Series is an exclusive member-only benefit that consists of topical and relevant information from regulatory compliance to industry trends critical to your everyday operations. The latest webinar in the series was a presentation by the Federal Reserve Bank of Minneapolis discussing the latest results from their survey and sharing how businesses are dealing with today's very challenging conditions. Watch and share with your teammates the recording at www.mnagrocers.com. **KA**



Best Bagger Contest

The Minnesota Grocers Association (MGA) held its 35th annual statewide Best Bagger Contest on Saturday, August 26, 2023, at the MGA office in St. Paul, MN. Contestants came from across the state to compete for the title of Minnesota's Best Bagger. Congratulations to all our Best Baggers for a great contest and, a special thank you to our event sponsor, UNFI!



The first-place winner in the competition was Marissa Schumacher of Kowalski's Market, Eagan winning \$500, a trophy, and a trip to Las Vegas, NV to represent Minnesota at the National Grocers Association Best Bagger Championship in February 2024. Second place, receiving a trophy and cash prize, was awarded to Julia Rassier of Lunds & Byerlys, Saint Cloud.

Three of the seven baggers were also given Bagger Excellence Awards and a cash prize. The "Traveler" award was granted to Matt Dulas of Coborn's, Pipestone, for traveling the longest distance to the contest, over 200 miles. Marissa Schumacher impressed all by capturing both the "Balance" and "Speed" awards. She bagged her two reusable bags in 1:00:41 seconds with only a .296 weight difference. **ST**

2024 Membership Renewal Due

Watch your mail for your MGA 2024 membership renewal. Your support of the MGA has allowed us to be your industry voice. The MGA is a great business partner and is the only organization speaking on behalf of the Minnesota food industry. We help you navigate laws, regulations, and serve as a strong partner with all levels of government. As an exclusive membership benefit, you will receive a complimentary 2024-2025 Business Regulations Guidelines and a new Federal/State All-In-One Employment Poster. These tools give your team a one-stop resource to manage the complex layers of government rules and regulations and keep you in compliance. **KA**



HR Corner

Minnesota's minimum wage rates will be adjusted for inflation on Jan. 1, 2024, to \$10.85 an hour for large employers and \$8.85 an hour for other state minimum wages.

- Large employers - annual gross revenues of \$500,000 - must pay at least \$10.85 an hour.
- Small employers - annual gross revenues less than \$500,000 - must pay at least \$8.85 an hour.
- Youth wage - \$8.85 an hour, may be paid to employees younger than 18 years of age.

These state minimum wage rates will not apply to work performed in the cities of Minneapolis and St. Paul, which have higher minimum wage rates. **SB**

All-In-One Employee Poster

As a member of the MGA, you will receive an all-in-one poster for each of your locations in your 2024 Membership Kit. These will include all updated state-mandated employment postings.

MGA Capitol Carry Outs

The MGA offers Capitol Carry Outs for individual businesses to educate staff on the legislative process, its impacts on industry, and the importance of engagement. We thank Jerry's Enterprises, Inc. for their successful completion of the 2023 Capitol Carry Out Program and their commitment to industry. Schedule your company's today. **SB**



MGA Foundation Piggyback Scholarship

The Minnesota Grocers Association (MGAF) offers a supplemental scholarship program for any paying MGA member. This program allows members to have all the benefits of their own personalized scholarship program without any expenses. The only cost to you is the scholarship itself (the minimum award is \$500.00). Any of your employees who complete the application will automatically be considered for both the MGAF scholarship and your personalized scholarship. This will double their opportunity while only completing one streamlined application. Contracts are due by **December 1, 2023**. **SB**



Carts to Careers

One great program that the Carts to Careers initiative supports is the Retailer Management Certificate (RMC), which is run by Alexandria Technical & Community College. It is an online, nationally recognized, industry-endorsed, 8-course education certificate. The RMC is an accredited business education program and most participants complete it in two years or less. The cost-share program makes this an affordable way to provide an educational benefit to your employees (\$2,750 per student). The fall semester application deadline is October 13 with an October 23 start date. The winter semester's application deadline is December 20 with a January 8 start date. To apply simply fill out the form application available at www.mnagrocers.com. **KC**



WASHINGTON NEWS

Congress Returns from Recess – Potential Shutdown Looms

Lawmakers have returned to Washington following the long August recess. Lawmakers are facing a significant challenge to reach a budget agreement and avoid a government shutdown at the end of September. Talks will continue between Senate Democratic leadership, the White House, and House GOP leaders on spending levels and provisions to avoid a potential government shutdown on October 1.

SNAP Budget Cliff

The current Farm Bill, which funds the Supplement Nutrition Assistance Program (SNAP), expired on September 30. SNAP can still function, as long as the funds are appropriated by Congress. Congress needs to pass an appropriations bill or a continuing resolution (which will fund SNAP at its current level), for the program to run beyond September 30. If Congress fails to pass an appropriations bill, SNAP will run out of money, triggering significant challenges for beneficiaries and retailers.

MGA EBT/SNAP Letter to Minnesota's Delegation

The MGA penned a letter to Minnesota's Congressional delegation regarding two provisions being discussed during the debate over the Farm Bill. The MGA expressed support for the "The EBT Act", which protects retailers from processing fees and modernization costs above and beyond the normal costs of business, and opposition to "The Healthy SNAP Act", which would end SNAP Choice and institute the collection of retailer basket-level purchasing data. This proposal would turn grocers into the food police and would lead to increased administrative burden and frustrated customers.

Credit Card Competition Act

At the time of writing, we are expecting an imminent vote on the CCCA. The MGA joined our Federal partners at FMI, NACS, and the NGA in a call-to-action to contact MN Senators. Thank you to MGA members who aided us in these efforts. The CCCA would require more than one network option to route financial data. Network routing competition from additional vendors, aside from just Visa and Mastercard, would help mitigate processing fees, saving retailers and consumers thousands of dollars.

Federal Overtime Hours Proposal Released

In the weeks leading up to Labor Day, the Biden-Harris Administration issued impactful labor and employment rules, including the long-awaited rewrite of the federal overtime regulations. The overtime notice of proposed rulemaking (NPRM) revises the Fair Labor Standards Act (FLSA) for exemption from minimum wage and overtime pay requirements for executive, administrative, and professional employees. The NPRM updates the salary threshold to \$1,059/week or \$55,068/year. It includes an automatic escalator to update the threshold every three years.

MGA Winter Minnesota Grocer Magazine Spotlight

The winter issue of the Minnesota Grocer magazine is right around the corner. This issue of the magazine is incredibly important as the MGA uses it to introduce newly elected officials to the food industry of Minnesota. The highlight of this issue is the employee anniversary listing. This issue is a great tool for showcasing the entire industry and celebrating your employees' accomplishments. Last year we honored employees with a collective 25,530 years of service! To be included in this publication send us your employee anniversaries in five-year increments. The deadline is **Friday, October 13**. See insert for more information.



There is still space available for advertising in this issue. The last publication for 2023 highlights all aspects of our industry. Join us as we celebrate consumers, careers, and communities. It's the perfect opportunity to get your company front and center this year. Space is limited – get your contract in today! **KA**

MGA Team Update

Please join us in welcoming Karen Connolly as the MGA's Office and Foundation Manager. Karen brings a depth of experience that makes her a wonderful addition. We are fortunate and delighted to have her on the MGA team.

Get Ready for 2024



Make the MGA a part of your marketing plan for the coming year. Whether you're looking to reach grocery retailers, suppliers, or wholesalers, our community of engaged c-suite executives is the perfect, high-value audience for your marketing efforts.

Advertising Package Get Noticed

Offering a perspective that is unique to the state, the Minnesota Grocer magazine features authoritative insights and opinions that cover all facets of the state's grocery business. From new regulations and technological innovations to local and national trends, this magazine contains the type of fresh stories that provide a deep understanding of Minnesota's grocery community. Discover why advertising in the Minnesota Grocer is your ticket to reaching your target audience. MGA's extensive membership ensures that your advertising message reaches the top Minnesota grocery retail decision-makers. **KA**

Annual Conference Sponsorship Get Active

Join your peers at the 2024 MGA Annual Conference – the largest and only event focused on the entire Minnesota food industry. This conference brings together the top retail decision-makers, who represent the broad spectrum of the state's food industry to meet with leading supplier companies for a one-of-a-kind event. Sponsorship is open for the 2024 MGA Annual Conference. Thank you to the below companies who have supported the MGA and are committed to industry. **KA**

THANK YOU

MGA We Appreciate the 2024 Annual Conference Early Bird Sponsors

Associated Wholesale Grocers, Inc.
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October 22 – November 11

Bag Hunger Campaign
Statewide
MGA Program

January 1

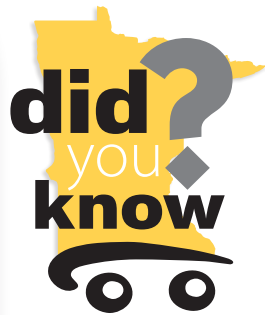
MGA Membership
Renewal Due

January 12

MGA Foundation Scholarship
Program Begins
MGA Program

February 12

Legislative Session Begins
St. Paul, MN



Minnesota's Political Contribution Refund Program (PCR) allows you to donate up to \$50 per individual/\$100 per couple to a legislator or political party at no cost to you. **YES, YOU READ THAT CORRECTLY.** The state of Minnesota reimburses you for donating to your favorite legislator. Please get your contribution in before the end of the year and support a pro-industry legislator and let them know you are an MGA member company. See Insert.



You Asked it

Q. Where did the 1% metro sales tax come from?

A: During the 2023 session, lawmakers passed two metro-wide sales tax increases. As of October 1, 2023, a .75% tax will be collected to fund transit systems in the metro, while an additional .25% levy will be collected to pay for additional housing support programs. These new taxes only apply to sales in the seven-county metro area and will be collected and remitted to the state along with other sales and use taxes.



Questions? Call MGA 1-800-966-8352



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