The following guidance is provided by the Maryland Cannabis Administration (MCA) to assist cannabis licensees comply with State laws and regulations governing the cannabis industry. This document is not legal advice. It is meant to highlight operational changes for **licensed growers**. Please consult an attorney if you have any questions regarding the legal requirements that apply.

Highlighted Updates

Recent regulatory updates make certain changes for grower licensees effective September 14, 2026, including but not limited to the following:

- Requiring growers to establish standard operating procedures for decontamination, including prevention, investigation, and remediation.
- Requiring growers to establish standard operating procedures that prohibit discrimination, harassment, and retaliation against an individual based on the individual's race, color, religion, sex, age, national origin, marital status, sexual orientation, gender identity, genetic information, military status, disability, or participation in certain protected activities.
- Requiring growers to abide by federal, state, and local laws related to worker training, safety, health, and wages.
- Requiring growers to maintain health and safety compliance records and make them available for MCA review.
- Codifying that MCA may require a grower to conspicuously display health and safety information provided by the MCA.

Canopy

A previously licensed grower, i.e. an operational business that holds a license issued prior to December 31, 2022, may expand its canopy from its maximum amount of canopy, as self-reported to the MMCC on or before December 1, 2022, beginning January 1, 2024. The total expanded canopy may not exceed the following limits prior to January 1, 2027:

Beginning on January 1, 2024, a licensee may expand the amount of canopy, only as follows:

- If the canopy is under 25,000 sq. ft., to 25,000 square feet or by 20%, whichever is greater;
- If the canopy is at or above 25,000 sq. ft., by 20%; or
- If the licensee has a sq. ft. expansion that was preapproved before December 31, 2022, the preapproved expansion or 20%, whichever is greater.

In addition, a licensee may only expand the amount of canopy, according to the following schedule:

- Beginning January 1, 2024, the licensee may expand its canopy of operations by not more than 50% of the total square footage authorized under the paragraph above (e.g., up to 50% of any preapproved expansion that was preapproved before December 31, 2022); and
- Beginning May 1, 2024, the licensee may expand its canopy of operations for the remaining total square footage authorized.

On or before October 1 of each year, growers shall report the square footage of indoor and outdoor canopy to the MCA using the Administration's canopy reporting form. For more information regarding calculating canopy see the MCA's canopy guidance document.

Indoor versus Outdoor Cultivation

MCA has defined "indoor cultivation" to mean producing cannabis plants in a permanent structure that provides control of environmental conditions using artificial heating, air conditioning, or other climate control. A "permanent structure" means a building, shipping container, greenhouse, or other structure that is used for cultivation for 180 days or more in a one year period.

"Outdoor cultivation" means producing flowering cannabis plants in an area that is directly or indirectly exposed to outdoor elements. In determining whether a cultivation premises qualifies as outdoor, MCA may consider the number of cultivation cycles that can be produced at the facility.

Outdoor cultivation areas are subject to the following additional provisions:

- Be situated to maintain the greatest achievable level of privacy and security.
- Be securely surrounded by fencing and gates constructed to prevent unauthorized entry and be equipped with an alarm system that:
    - Covers the entire perimeter;
    - Is continuously monitored; and
    - Is capable of detecting power loss.
- Protected by a video surveillance recording system to ensure:
    - Surveillance of the entire perimeter of the area of cultivation;
    - Surveillance over all portions of the security fence and all gates; and
    - Adherence to the video surveillance requirements detailed in 14.17.10.02H
- An outdoor grower may modify its security lighting to protect light-dark cycles, provided the security lighting is adequate to satisfy the video surveillance system requirements detailed in COMAR 14.17.10.02.
- To qualify as an outdoor cultivation area, it may not be 1) enclosed by a permanent structure or 2) employ artificial climate control systems.

Home Cultivation Products

Home cultivation products include clones, seeds, seedlings, stalks, roots, and stems of the cannabis plant. Adult-use consumers and qualifying patients may purchase home cultivation products from licensed dispensaries, including seedlings up to 8 inches tall and 8 inches wide. At this time, a licensed dispensary may only obtain home cultivation products from a licensed grower.

Trade Practices

A previously licensed grower, i.e. an operational business that holds a license issued prior to December 31, 2022, is required to make a good faith effort to allow for at least 10 percent of cannabis grown to be transferred to:

- A licensed processor or dispensary that has no common ownership interest or control with the grower licensee; and
- Upon licensure and operation of social equity businesses, a licensed processor or dispensary that is a social equity business.

A **previously licensed grower** should prioritize social equity licensees. A **social equity grower** should make a good faith effort to allow for at least 10% of cannabis grown to be transferred to licensees with whom they have no common ownership interest or control. Growers may meet the trade practice requirements through distribution to both processors and dispensaries, as long as they distribute roughly equal amounts to each facility type. The MCA may query METRC for compliance with trade practice requirements.

Discrepancy, Theft, and Diversion Reporting

If a licensee identifies a discrepancy between the inventory of stock and the seed-to-sale tracking system outside or normal weight loss, they must begin an investigation of the discrepancy within 1 business day. If a discrepancy is not resolved within 30 business days, the licensee must submit a report of their investigation to MCA. Failure to report an unresolved discrepancy may be used as evidence of diversion.

If a licensee finds evidence of theft or diversion, the licensee must report the theft or diversion to the Administration within 1 business day.

Within 30 business days of discovering the theft, diversion, or unresolved discrepancy, the licensee must:

- Complete an investigation;
- Amend its standard operating procedures, if necessary; and
- Send a report of the investigation to the MCA.

UPDATE! Minimum Labor Standards

Licensed growers are required to abide by federal, state, and local laws related to worker training, safety, health, and wages. Licensed growers must maintain records related to training, assessments, and other documents demonstrating compliance with labor standards. In addition, MCA may require a grower to conspicuously display health and safety information provided by the MCA.

The Maryland Occupational Safety and Health (MOSH) under the Division of Labor and Industry remains the regulatory agency for worker safety and health protection.

UPDATE! Corrective and Preventive Action

The grower must use an Administration-registered independent testing laboratory to perform compliance testing for each unique lot of cannabis products. If a product tests positive for the presence of a pathogen then the grower must follow these actions:

- Stop production at the facility.
- Quarantine the affected product and all other products made during or after this production batch.
- Provide MCA with a list of the products that were made during or after this production batch with the Metrc ID. The MCA will place the affected product on administrative hold.
- Coordinate with the independent testing laboratory to perform pre-cleaning swabbing of the affected area(s).
- Decontaminate the affected area(s) including the utensils, equipment and the area where packaging and labeling was performed.
- After decontamination, coordinate with the independent testing laboratory to perform post-cleaning swabbing of the affected area(s).
- MCA will review the swabbing analysis and inform the grower if production can resume.

If additional production batches test positive for the presence of a pathogen within a 60 day period, the licensee is required to take corrective and preventive action. At a minimum, these actions must include:

- Environmental swab testing;
- Investigation of root cause of contamination;
- Complete decontamination; and
- If appropriate, updated standard operating procedures.

The licensee must provide an investigation report and corrective action plan to the MCA for approval. The MCA may require further investigation and procedural changes to prevent future contamination.

Other Operational Considerations

- For packaging and labeling guidance, please refer to COMAR 14.17.18 Finished Product Packaging, as well as the General Information and Packaging and Labeling Guidance documents on the Laws and Regulations page.
- A grower may only transfer up to 50 pounds of cannabis to a dispensary in a single transfer.

Questions?

Visit cannabis.maryland.gov or use the MCA Policy Question Intake form to submit policy questions related to cannabis regulations, legislation, issued guidance, or licensing. MCA will review submissions and publish an updated FAQ document on the Laws & Regulations page.