

Denver Grow Operation to Close, Says Green Dragon

Green Dragon to Shutter Denver Cannabis Cultivation aFacility, Cut 45 Jobs

Denver, CO — Cannabisoperator Green Dragon is closing its cultivation facility in Denver, a move that will result in the loss of 45 jobs, as the company responds to ongoing challenges in Colorado’s struggling marijuana market.

The decision reflects broader economic pressures facing cannabis businesses in the state, including declining wholesale flower prices, rising labor costs, and overall market saturation.

Market Realities Prompt Shutdown

Green Dragon’s parent company, California-based Eaze, attributed the shutdown to financial impracticalities despite efforts to boost productivity. According to CEO Cory Azzalino, the facility had become too costly to operate, even under optimized growing conditions.

“It’s not economical despite our team’s best effort to improve yields,” Azzalino told *BusinessDen*, a Denver-based news outlet. “At the end of the day, the facility costs substantially more to run than to buy product in the market.”

He added that in order to justify the expense of keeping the cultivation site open, the company would need to either double its yield or see the market price of flower double — scenarios that are highly unlikely under current conditions.

Wholesale Prices Nearly Cut in Half

The wholesale price for cannabis flower has plummeted in Colorado, presenting significant challenges for cultivators. As of early 2025, the average price for a pound of flower sits at \$655, down dramatically from around \$1,300 in October 2021, according to data from the Colorado Department of Revenue.

This steep decline has created an environment in which vertically integrated operations like Green Dragon find it more cost-effective to purchase flower from third-party growers than to produce it in-house.

Labor Costs and Unionization Pressure

In addition to market pressures, Azzalino pointed to rising operational costs due to Denver’s minimum wage increases and the looming prospect of union contract negotiations. These factors were likely to further elevate costs at a time when profitability was already thin.

The Denver cultivation site was reportedly on the brink of entering discussions for a union agreement, which would have added another layer of financial complexity to the operation.

Uncertainty Over Property Lease

The status of Green Dragon's lease agreement for the cultivation property is now uncertain. Texas-based Don Ball, who purchased the facility in October 2024, told *BusinessDen* that he was unsure whether Green Dragon would continue paying its \$145,000 monthly rent.

Ball recounted his initial conversation with Azzalino, noting that the CEO had expressed a desire to remain in good standing with rent payments. However, Azzalino also acknowledged that business had declined sharply in recent months, casting doubt on the company's ability to maintain the lease.

Eaze's Strategic Pivot

The closure in Denver comes just months after Eaze — which acquired Green Dragon in 2021 — announced a \$10 million cash infusion and corporate rebrand aimed at revitalizing the company's national footprint.

In January 2025, Eaze revealed it had planted its first crop at a recently expanded cultivation site in Florida, signaling a strategic pivot toward East Coast operations where medical and adult-use markets are still developing and potentially more lucrative.

The move underscores a common trend among multistate cannabis operators: exiting mature, oversaturated markets in favor of newer ones with higher margins and fewer price pressures.

Broader Industry Implications

Green Dragon's withdrawal from cultivation in Colorado is not an isolated incident. In recent years, several cannabis businesses have scaled back or exited the Colorado market entirely, citing intense competition, dropping prices, and regulatory hurdles.

While Colorado remains one of the most established legal cannabis markets in the U.S., its early mover status has made it more vulnerable to price compression and limited growth potential, especially compared to emerging state markets.

Industry analysts note that as interstate competition increases and federal legalization remains uncertain, companies will continue to reassess where and how they operate, prioritizing efficiency, profitability, and long-term sustainability over legacy market presence.

Outlook for Displaced Workers

The 45 employees affected by the closure face an uncertain future in a job market that has tightened alongside declining revenues in the cannabis sector. While some may find roles at other cultivation or retail operations, the contraction in the state's cannabis industry may limit available opportunities.

Green Dragon and Eaze have not yet announced any severance packages or transition support for laid-off workers.

The shutdown of Green Dragon's Denver cultivation facility marks a significant moment for Colorado's cannabis industry, highlighting the economic headwinds that even long-established operators face. As prices remain low and labor costs climb, companies are forced to make hard choices to maintain viability.

For Green Dragon and its parent company Eaze, the focus now appears to be on reallocating resources to states with better margins, while leaving behind operations that no longer make financial sense.

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