

Dreams Deferred: Challenges Facing Social Equity Cannabis Businesses in Massachusetts

Even before cannabis legalization in Massachusetts, Kijana Rose envisioned a fusion of cannabis and yoga, believing it could enhance the experience. Raised in a Rastafarian family where cannabis was viewed as medicinal, Rose, 34, had been teaching ganja yoga for seven years while also selling cannabis edibles.

Legalization: A Mixed Bag of Dreams and Nightmares

When the state legalized marijuana, Rose saw an opportunity to turn her passion into a business, in line with the social equity model extended to candidates like her. However, what she encountered was far from the envisioned business plans and chill vibes. Instead, she faced a regulatory labyrinth that consumed her dreams.

From Dream to Debt: A Painful Journey

Rose aimed to establish a vegan cannabis bakery in Roslindale, offering customizable cannabis baked goods and community events. Yet, three years later, her store remains unopened, and she finds herself financially crippled, accumulating close to a million dollars in debt.

The Exit Challenge: Trapped in the System

Attempting to exit the business, Rose faced yet another challenge. Despite trying to sell her license, she found it wasn't valued enough to clear her debts. Eventually, after months of struggle, she found a buyer, barely managing to pay off her debt with the proceeds.

Promises Unfulfilled: The Social Equity Conundrum

Rose's ordeal epitomizes the struggles of many in Massachusetts' social equity cannabis sector. Promised pathways into the industry, these entrepreneurs faced insurmountable challenges exacerbated by a lack of capital, burdensome regulations, and plummeting marijuana prices.

The Capital Conundrum: A Barrier to Entry

Access to capital, a fundamental need for any budding business, remains elusive for social equity ventures. With banks wary of the industry's federal illegality and a slow-starting Cannabis Social Equity Trust Fund, businesses find themselves undercapitalized and financially vulnerable.

A Bleak Market Outlook: Struggling to Survive

Compounding these challenges is a market where marijuana prices have drastically fallen, eroding projected profits. Many operators, initially drawn by the industry's allure, now face the harsh reality of unprofitable ventures and looming closures.

Calls for Change: Seeking Solutions

Operators like Dennis Benzan advocate for policy changes, including increasing the license cap and easing regulatory burdens, to facilitate business survival and growth. Others emphasize the urgent need for increased access to capital and supportive policies to sustain social equity operators.

Unity in Struggle: Collaborative Solutions

Despite differing opinions, there's a consensus within the industry on the need for collective action to address these challenges. Operators stress the importance of collaboration and advocacy to ensure the survival and success of social equity businesses.

Facing Reality: Industry-Wide Acknowledgment

As industry stakeholders organize and advocate for change, there's a growing acknowledgment of the dire situation faced by social equity cannabis businesses. Calls for attention from both the Cannabis Control Commission and the Legislature underscore the urgency of addressing these systemic issues.

In Massachusetts, the dream of social equity in the cannabis industry remains elusive, overshadowed by regulatory complexities and financial barriers. As operators grapple with mounting challenges, the call for substantive change grows louder, echoing the need for a more equitable and sustainable cannabis landscape.

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