



CONNECTICUT SOCIAL EQUITY COUNCIL

The 2025 Council Market Outlook Working Group

Cannabis Marketplace Subcommittee - Phase 2

Thursday, April 30, 2026, at 12:00 pm via Zoom

Marketplace Cannabis Chair:

Nikole Burns (Marketplace - Cannabis) **CT Cannabis Chamber of Commerce**

NOTES:

Industry operators discussed ongoing uncertainty about whether further investment in Connecticut's cannabis market is viable, citing high capital requirements, zoning challenges, and unclear long-term market conditions. As one participant noted, municipalities retain broad discretion, and *"they can reject you for almost anything they want,"* making site selection unpredictable. Experiences varied widely: some operators found supportive towns, while others faced repeated relocations and delays.

Participants also raised concerns about federal rescheduling, banking access, and the financial risk of taking on large cultivation-related debt. With dispensaries costing roughly \$1 million and cultivation facilities ranging from \$10–30 million, operators emphasized that the current market size—about \$25 million per month—is insufficient to sustain all licensees under existing cost structures.

A major theme was the **competitive disadvantage against the illicit market**. Operators stressed the need for a statewide informational campaign highlighting product safety, age restrictions, and the risks of unregulated smoke-shop products. Several noted that youth outreach has been effective, with students receptive to learning about regulated vs. unregulated products. However, strict marketing rules limit legal operators' ability to communicate with the public, and participants urged greater support from DCP and state partners.

Market sustainability concerns were also raised. High production costs, strict testing rules, and limited volume make it difficult for many businesses to break even. Operators argued that

structural changes—such as enabling greater volume, reducing costs, and addressing cross-border competition—are essential for long-term viability.

Overall, the discussion underscored the need for:

- Clearer and more consistent municipal zoning pathways
- Regulatory adjustments that reduce operating costs and expand market volume
- State-supported public education campaigns on safety and legality
- Policy changes that help legal operators compete with illicit sellers

Participants agreed that without these systemic improvements, the market will remain challenging for both new entrants and existing operators.

