

Diversity in the Cannabis Industry

2025 Annual Report

Rhode Island Cannabis Control Commission

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Annual Statutory Reporting Requirements

The following study was conducted and is being provided per the statutory mandate contained in the Rhode Island Cannabis Act.

R.I. Gen. Laws § 21-28.11-31(e) Reporting.

Beginning September 1, 2023, and each year thereafter, the commission shall annually report to the governor and the general assembly on the outcomes and effectiveness of this section that shall include, but not be limited to, the following:

- (1) The number of persons or businesses receiving assistance under this section;
- (2) The amount in financial assistance awarded in the aggregate, in addition to the amount of grants awarded; and
- (3) If applicable, the number of new jobs and other forms of economic impact created as a result of assistance from the social equity assistance fund."

R.I. Gen. Laws § 21-28.11-31(h) Reporting.

(1) By September 1, 2023, and on the first day of September of every year thereafter, or upon request by the commission, each cannabis establishment licensed under this chapter and § 21-28.6-12 ("The Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act") shall report to the commission, on a form to be provided by the commission, information that will allow it to assess the extent of diversity in the medical and adult use cannabis industry and methods for further reducing or eliminating any identified barriers to entry, including without limitation, access to capital.

(2) Failure of a cannabis establishment to respond to the request of the commission to complete the form, report, and any other request for information may be grounds for disciplinary action by the commission pursuant to this chapter. The information to be collected shall identify, without limitation, the following:

- (i) The number and percentage of licenses provided to social equity applicants;
- (ii) The total number and percentage of employees in the cannabis industry who meet the criteria in the definition of social equity applicant; and
- (iii) Recommendations on reducing or eliminating any identified barriers to entry, including access to capital, in the cannabis industry."

Reporting Pursuant to § 21-28.11-31(e)

In accordance with statutory requirements, the Cannabis Control Commission (CCC or Commission) must report annually on the outcomes and effectiveness of the Social Equity Assistance Fund.

As part of its ongoing work to advance equity in Rhode Island's adult-use cannabis program, the Commission opened the Social Equity Applicant Status Certification Portal on August 29, 2025, representing a significant milestone in program implementation. The portal serves as the first step in the retail license application process for individuals to demonstrate they meet the definition of Social Equity Applicant, a requirement for a Social Equity Retail License. Administered in partnership with Creative Services, Inc. (CSI), the vendor selected through a competitive RFP process, the portal provides a secure and streamlined platform to verify eligibility, maintain records, and support applicants throughout the process. To access the certification application, individuals are required to first complete the CCC Interest Form, available from August 28 through September 24, after which CSI will provide direct access to the portal. Applicants must submit their certification applications by September 29. Assuming the process proceeds as planned, the CCC plans to have updates of the number of applicant submissions and successful certifications in the October – November 2025 time frame.

As of August 2025, the Commission has not yet issued any social equity licenses, and as such, funding from the Social Equity Assistance Fund has not been disbursed. Therefore, it is premature to provide the outcome measures outlined in subsection (e), including the number of persons or businesses receiving assistance, the aggregate amount of financial assistance or grants awarded, or any jobs and economic impact resulting from fund distribution.

The Commission continues its dedicated efforts toward the development and implementation of the Social Equity Assistance Program and anticipates being able to provide quantitative figures as the Program matures.

Reporting Pursuant to § 21-28.11-31(h)

Subsection (h) requires the Commission to collect and analyze information from licensed cannabis establishments to assess the extent of diversity within the medical and adult-use cannabis industry, as well as to identify and address barriers to entry.

Data Collection

Administrator Michelle Reddish sent a communication to all cannabis licensees to gather data and insights to better assess diversity in ownership and workforce, as well as to identify barriers to entry and potential strategies for improving equity within the cannabis industry.

Specifically, licensees were asked to provide:

- **Workforce & Ownership Diversity:** Voluntary information on the demographic makeup of ownership and employees, including race, ethnicity, gender, and veteran status.
- **Barriers to Entry:** Experiences and challenges encountered during entry into the cannabis industry, particularly in areas such as zoning, licensing, and regulatory compliance.
- **Access to Capital:** Obstacles faced in obtaining funding or financing, as well as the types of financial institutions or investment sources relied upon.
- **Support & Resources:** Types of technical, legal, financial, or educational support that would have been beneficial during the application or startup process.
- **Recommendations for Equity:** Suggestions for strategies or policies the Commission could consider reducing barriers to entry and foster greater diversity and inclusion within the cannabis industry.

This feedback served as a foundation for the Commission's analysis of diversity and equity in the cannabis market and will inform future policy development of the Social Equity Assistance Program.

Cannabis Licensee Responses and Suggestions

The Commission received 13 responses from licensees.

Workforce & Ownership Diversity

- Ownership and workforce demographics varied, though the majority of reporting licensees indicated white ownership and staffing.
- Several businesses highlighted meaningful representation of women and minority groups including one majority woman-owned cultivator and a

tribally-owned cultivator and licensees reporting notable shares of women employees and veterans.

Barriers to Entry

- Zoning and municipal approvals were consistently cited as major obstacles in opening a cannabis retail or cultivation facility. Several licensees reported protracted or contentious zoning battles that delayed operations by a year or more.
- Licensing and regulatory complexity often required significant legal assistance, adding substantial startup costs. Some noted the application process was difficult to navigate without an attorney.
- Market structure and saturation were also identified as barriers, with some cultivators highlighting oversupply, and limited retail outlets as key concerns.

Access to Capital

- Licensees almost uniformly described restricted access to traditional banking and credit, with Rhode Island credit unions serving as the primary source of banking services.
- Many relied on personal savings, retirement accounts, or private investors to launch their businesses. Several reported that raising capital before licensure was especially difficult.
- Cultivators shared that, from their perspective, industry contraction and oversupply have made Rhode Island cannabis a “high-risk investment,” further constraining private capital.

Support & Resources

- Many respondents indicated that legal and compliance costs were burdensome and unavoidable. Several argued that licensing processes should be simplified so applicants would not require costly legal representation.
- Technical assistance and training in seed-to-sale tracking, regulatory compliance, and operational best practices were frequently requested.

- Respondents suggested mentorship opportunities, pairing established licensees with new applicants, and resource lists of women-owned and minority-owned vendors.

Recommendations for Equity

- Expand access to capital and financial assistance, including low-interest or forgivable loans, fee reductions, and grants for social equity applicants.
- Simplify the application and licensing process to reduce reliance on attorneys.
- Support workforce development and mentorship programs that connect new licensees with established operators.
- Address municipal zoning challenges through state-level support or identification of pre-approved sites.
- Broaden the definition of social equity to ensure meaningful participation by minority and underserved applicants beyond current statutory criteria.
- Increase transparency and communication, including plain-language explanations of data use and program benefits to encourage trust and participation.

CCC Policy Considerations and Next Steps

The Commission's work is guided by the principle that equity must be at the center of Rhode Island's cannabis industry. The feedback gathered from licensees this year highlights both the uniformity to the types of challenges faced by licensees and the opportunities for policy initiatives to create a more inclusive and sustainable market.

Financial Access

A central theme across nearly every response was the difficulty of securing capital. Licensees described relying on personal savings, retirement accounts, or small private investors, while access to traditional lending remains almost nonexistent because of the federal schedule of cannabis. High fees at local credit unions and the perception of cannabis as a high-risk investment further restrict opportunity. The Commission is committed to advancing the Social Equity Assistance Fund to provide direct support, and will continue to explore partnerships with lenders and community-based institutions to improve access to affordable capital. As of August 2025, the Social Equity Assistance Fund holds \$2,281,500 which will be available in the future to selected licensees who are Social Equity Applicants.

Licensing and Compliance

Another clear message from licensees was that the complexity of Rhode Island's licensing system often forces applicants to rely on expensive legal assistance. Several respondents argued that applications should be straightforward enough to complete without an attorney. The Commission will examine ways to ensure that the license applications are accessible and provide clearer guidance, when appropriate.

Zoning Challenges

Zoning was consistently identified as a barrier, with some licensees enduring lengthy delays or legal battles before being allowed to open their doors. The Commission recognizes that local zoning and permitting issues raise significant challenges to prospective licensees. The Commission has engaged municipal leaders across the state to highlight the upcoming licensing of 24 new retail stores in a way encourage proactive municipal planning, reduce uncertainty for applicants, and promote fair and timely access to suitable locations.

Technical Assistance

Many licensees expressed the need for more technical assistance and mentorship. The Commission has already developed the Social Equity Resource Page on the CCC's website, including prerecorded lectures on the application process for Social Equity Applicant Status Certification. Technical assistance surrounding compliance will be considered by the Commission for future licensees. These forms of support can lower the learning curve, reduce mistakes, and promote more equitable participation across the industry.

Moving Forward

Taken together, the perspectives offered by licensees will directly inform the Commission's ongoing work to reduce barriers to entry into Rhode Island's cannabis market and the continued growth of the landmark Social Equity Assistance Program.