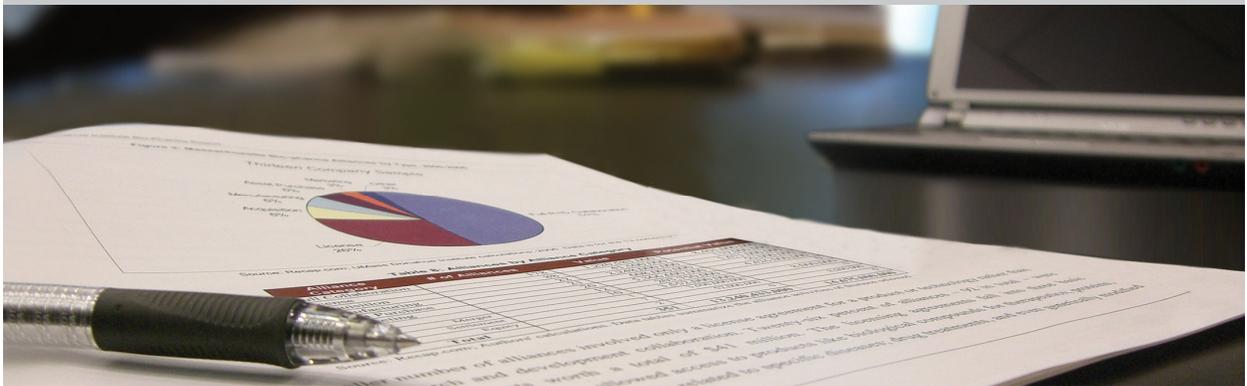


Cannabis Control Commission: Delivery Exclusivity Period Assessment

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Cannabis Control Commission: Delivery Exclusivity Period Assessment

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- Other team members collaborating on the research including the Cannabis Control Commission's Research Department and staff, the Director of Data Analytics, the internal Delivery Exclusivity Working Group and Working Group Lead, and other commission staff, all of whom provided ongoing and intensive support over the course of this project.

Executive Summary

Background

The Massachusetts Cannabis Control Commission (CCC)¹ established the delivery exclusivity (DE)² period to promote equity for communities historically harmed by the “war on drugs.” For this work, the “war on drugs” is understood as a set of U.S. government policies starting in the 1970s aimed at strictly monitoring and sanctioning the illegal drug trade and illegal drug use. This overarching policy is often criticized for disproportionate enforcement in urban and low-income areas, particularly among Black and Hispanic communities. The DE program aims to create a viable pathway into the cannabis market for those individuals impacted by the heightened drug prohibition enforcement during this period. The policy states that delivery-type licenses, which provide a lower barrier of entry compared to more capital-intensive licenses such as retail and cultivation, will only be awarded to businesses with majority ownership comprised of Social Equity Program (SEP) or Economic Empowerment Program (EEP) participants. In turn, the SEP and EEP programs are reserved for those who have been disproportionately harmed by the war on drugs, based on various requirements such as living in **disproportionately impacted communities**, or having a criminal justice history related to the prohibition of marijuana, among other requirements. The terms **disproportionately harmed** and **disproportionately impacted** thus appear throughout this report to describe the population targeted for the delivery exclusivity policy.

These delivery license types were inspired by delivery service models used in other industries, such as Uber Eats or Amazon.com, where drivers deliver goods directly to consumers without the need for a traditional brick and mortar outlet. While home delivery was already allowed under the Commonwealth’s medical marijuana program, the first recreational-use Massachusetts delivery businesses were launched in July 2021. Massachusetts has three main delivery types associated with the DE program. The **marijuana courier** license was designed for delivery businesses to partner with existing retailers and deliver a dispensary’s products. The **delivery operator** license allows businesses to purchase wholesale and store products in a warehouse, to then deliver directly to consumers from their own supply. The **delivery endorsement** is a designation that allows marijuana microbusinesses to engage in delivery, as well. The exclusivity period began on the date the first Delivery Operator received a notice to commence operations.³ The delivery exclusivity period was set for a three-year period starting on April 1, 2022 and concluding on April 1, 2025. The CCC voted in March 2025 to extend the exclusivity period for another 12 months, until April 1, 2026.⁴

¹ In this report we will refer to the Cannabis Control Commission as ‘the CCC’ or ‘the Commission,’ interchangeably.

² In this report we will refer to delivery exclusivity and DE interchangeably.

³ See 935 CMR 500.050(10)(b) and (11)(f)

⁴ Massachusetts Cannabis Control Commission Extends Exclusivity for Delivery Licenses. Cannabis Control Commission Massachusetts. April 1, 2025. <https://masscannabiscontrol.com/2025/04/massachusetts-cannabis-control-commission-extends-exclusivity-for-delivery-licenses/>

The Study

The goal of this study is to assess whether the delivery exclusivity period has met its intended objectives and to make recommendations based on the findings. As stated in the regulations, an assessment must be made for the Commissioners to call a vote for action about the delivery exclusivity period:

*“the Commission may vote to extend that period following a **determination that the goal of the exclusivity period to promote and encourage full participation in the regulated Marijuana industry by people from communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law has not been met**; and the Commission may vote to expand eligibility for Delivery Licenses during the exclusivity period pursuant to 935 CMR 500.050(10)(b)4.*⁵

During the extension of the delivery exclusivity period, over the summer and fall 2025, the UMass Donahue Institute supported an internal Delivery Exclusivity Working Group at the Cannabis Control Commission in a two-phase project to evaluate the progress toward the goals of this policy. While the delivery exclusivity program was established with the statutory goal in mind, it was not initially set up with officially articulated goals nor a data collection plan and process for a traditional program evaluation. The scope of work in phase one instructed UMDI, through key informant interviews and a review of relevant datasets, to design a conceptual analysis plan appropriate for assessing the specific, required questions in the regulation that allowed for delivery exclusivity and propose operationalized definitions for the criteria to be used in the assessment.

Although the assessment topics are itemized in the regulations, measurement criteria and parameters for the assessment were unspecified. Therefore, developing effective criteria for the assessment was a primary requirement of this study and subsequent analysis. The work done in phase two comprises the following report, which analyzes whether the goals of the exclusivity period have been met as outlined in the regulations and operationalized in phase one of this work. As described in Commission regulations, criteria must be developed to determine whether the delivery exclusivity period has been successful in meeting its stated goal of “promot[ing] and encourag[ing] full participation in the regulated Marijuana industry by people from communities that have previously been disproportionately harmed by Marijuana prohibition.”⁶ The regulations itemize seven general areas (or goals) that should be measured to determine whether the delivery exclusivity policy has succeeded:

⁵ Source: 935 CMR:500.050 (10b) Marijuana Courier; (11f) Marijuana Delivery Operator; (pp. 37-39). Accessed June 2025. <https://www.mass.gov/doc/935-cmr-500-adult-use-of-marijuana/download>. Emphasis by UMDI.

⁶ Massachusetts Cannabis Control Commission, 935 CMR 500.050(10)(b).

Table 1: Delivery Exclusivity Goals: Regulatory Language⁷

<p>“The Commission shall develop criteria for evaluating whether the goals of the exclusivity period are met, which shall include, but not be limited to:</p>
<p>a. Overall rates of participation in the regulated marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement of the law;</p>
<p>b. Overall rates of participation in the regulated Marijuana industry by people of color;⁸</p>
<p>c. Licenses granted to businesses with majority ownership comprised of Economic Empowerment Priority Applicants and Social Equity Program Participants;</p>
<p>d. Number of registered agents who are Social Equity Program Participants;</p>
<p>e. Number of Delivery Licensees in operation and business performance relative to other Marijuana Establishments;</p>
<p>f. Financial feasibility of continued participation in the regulated Marijuana industry by communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law if exclusivity period ends; and</p>
<p>g. Any other information the Commission determines relevant⁹ The following key policy interventions, defined by the Commission, were included in this assessment: 1) Understand the impact on the industry from the <u>changes to the delivery licenses</u> (e.g. 2 to 1 agents in a vehicle, expanded delivery hours, digitalization of records) 2) Examine the effect of the ongoing <u>implementation of the HCA statutory and regulatory amendments</u> 3) Examine the effect of <u>cities’ and towns’ bylaws/ordinances</u> derived from Chapter 180 and the corresponding Municipal Equity regulations 4) Assess the impact of the creation of the <u>Cannabis Social Equity Trust Fund</u> on Marijuana Establishments</p>

Source: 935 CMR 500.050(10)(b)1a g and 935 CMR 500.050(11)(b)1a g

Throughout phase one, UMDI developed criteria for evaluating Goals A through G, as listed in the regulations. The analysis design was based on key informant interviews of current and past CCC Commissioners and a review of relevant datasets, including publicly available quantitative data on the Commission’s Open Data webpage and internal sales- and agent-level data. The analysis plan developed for this study appears in a separate technical report which will be submitted with this report.¹⁰

In addition to informing the analysis plan, the key informant interviews from phase one (subsequently bolstered in phase two by a focus group of SEP staff members, a review of public feedback comments, and a survey of delivery business owners and license applicants) detailed various challenges of the delivery exclusivity period, as well as perspectives on measuring

⁷ For a brief overview of regulations, policies, and programs related to the delivery exclusivity period see Appendix D: Regulations, Policies, and Programs Related to the Delivery Exclusivity Period.

⁸ Commission regulation speaks to People of Color in the context of diversity plans as “Black, African American, Hispanic, Latinx, and Indigenous people.” Source: 935-CMR-500.101(8)(k).

⁹ For this assessment, the Commission defined four questions related to key policy interventions made during the delivery exclusivity period.

¹⁰ *Addendum #1: Cannabis Control Commission: Phase I Analysis Plan and Methodology*. UMass Donahue Institute. November 2025.

success and recommendations for future actions. Major findings from the qualitative analysis include:

- **One-on-one interviews with past and current Massachusetts Cannabis Control Commissioners** revealed a lack of clear metrics or measurable goals to evaluate success, structural and support limitations within the Commission, and insufficient ongoing training and business mentorship for equity licensees, which impeded their ability to build sustainable businesses;
- **A focus group conducted with the Commission’s Equity Programming and Community Outreach (EPCO) Staff** highlighted persistent structural and financial barriers that participants face in establishing viable cannabis businesses despite the delivery exclusivity period designed to promote equity and provide a low barrier of entry into the industry;
- **Analysis of feedback given during the policy’s public comment period** strongly favored continued protection of the delivery exclusivity period;¹¹
- **And a survey of delivery exclusivity applicants and business owners** indicated that policy interventions made by the CCC have not been implemented for long enough or have not addressed core issues affecting business conditions. These challenges negatively impact all small businesses in the cannabis industry, many of which are delivery licensees.

In the second phase, UMDI conducted an analysis to quantify the operationalized criteria developed in phase one. This assessment includes various ways to measure concepts mentioned in commission regulations, such as *full participation*, *business performance*, and *financial feasibility*. More detail on those terms can be found in **Appendix E: Commissioner perspectives about measuring success**.

The quantitative assessment of the delivery exclusivity period shows that it has succeeded in some important ways, namely by encouraging high rates of representation and participation of disproportionately impacted business owners in the cannabis industry. This is true both within disproportionately impacted areas (DIAs),¹² where delivery businesses are comparatively well represented, and for business owners and agents who are people of color, who participate at higher rates in the cannabis industry compared to the participation of people of color in the Massachusetts economy overall.

However, the delivery exclusivity policy has not completely met its intended goal of encouraging full participation in the industry by disproportionately impacted people. **Despite the high rates of participation within DIAs and for people of color, the total number of delivery businesses represents only five percent of license holders in the cannabis sector in Massachusetts,**

¹¹ The key findings are discussed in depth in a separate technical report—to be submitted with this report—entitled Addendum: #2: *Qualitative Analysis of Public Feedback on Cannabis Delivery Exclusivity Policy*. Cannabis Control Commission. November 2025.

¹² The Cannabis Control Commission has designated 30 communities in Massachusetts as “Disproportionately Impacted Areas” (DIAs). These are geographic areas that have been disproportionately harmed by marijuana prohibition and enforcement. See <https://masscannabiscontrol.com/equity/dia/>

representing a very small portion of the entire cannabis industry. The current study uncovered several indicators suggesting delivery licenses are not viewed as a viable entry point in the cannabis market. Looking at the annual uptake of delivery licenses, this appears to be a segment of the industry that is lagging. For instance, the number of courier licenses grew at an annualized rate of 19 percent during the first three years that the courier license was available. Delivery operators grew at a 68 percent annualized rate. In comparison, the number of retailer licenses grew by 235 percent annually for its first three years, and the industry overall grew at a 212 percent annualized rate. Considering these data, it would appear these license types are not fully realized as a robust opportunity for helping disproportionately harmed people to participate in the cannabis industry in Massachusetts at higher levels.

Serious factors in the underutilization and slow rollout of these licenses, such as prohibitive regulatory and market forces within the industry, have created severe difficulties for people utilizing these licenses and are explored in our quantitative analysis. Major findings from this analysis include:

- Businesses in disproportionately impacted areas (DIAs)¹³ have generally achieved full participation in the cannabis industry, as cannabis businesses are more likely to be located in DIAs compared to Massachusetts establishments overall (couriers are 39 percent more likely to be located in DIAs and delivery operators are 52 percent more likely to be located in DIAs compared to the Massachusetts retail sector). There is also high participation in the cannabis industry among people of color for delivery license types, compared to rates of business ownership among people of color in the Massachusetts economy overall: 58 percent of courier businesses and 53 percent of delivery operator businesses are owned by people of color. Comparatively, only 25 percent of all businesses in Massachusetts are owned by people of color.
- However, challenges exist in the application pipeline and for non-delivery cannabis businesses in DIAs. Despite favorable participation rates compared to the Massachusetts economy, marijuana businesses in DIAs take longer to achieve final licensure compared to marijuana businesses outside of DIAs, meaning that cannabis businesses located in DIAs have taken longer to open (160 days longer for couriers and 104 days longer for delivery operators to achieve final licensure). Additionally, proportionally fewer businesses in DIAs are in the operational stage, with a higher percentage achieving final licensure but remaining unopened compared to cannabis

¹³ Disproportionately Impacted Areas (DIAs) are defined by UMass Donahue Institute's March 2021 report: *Identifying Disproportionately Impacted Areas by Drug Prohibition in Massachusetts*, with the addition of the City of Lawrence. This represents a hybrid approach when combined with the list of DIAs on the CCC website: <https://masscannabiscontrol.com/equity/dia/>. The full list of city-wide DIAs used in this report is: Barnstable, Dennis, Falmouth, Mashpee, Truro, Yarmouth, North Adams, Pittsfield, Attleboro, Fall River, New Bedford, Raynham, Taunton, Oak Bluffs, Andover, Beverly, Haverhill, Lawrence, Lynn, Methuen, Peabody, Salem, Salisbury, Greenfield, Montague, Agawam, Chicopee, Holyoke, Palmer, West Springfield, Westfield, Northampton, Everett, Malden, Marlborough, Medford, Somerville, Woburn, Braintree, Norwood, Quincy, Randolph, Stoughton, Weymouth, Brockton, Middleborough, Plymouth, Wareham, Chelsea, Revere, Fitchburg, Gardner, Leominster, Southbridge, Spencer, Sturbridge, and Webster. Further, four cities are defined by the Census Tract level: Boston, Worcester, Springfield, and Lowell. However, Census tract-level data is not available several CCC datasets, nor available for some external datasets used to benchmark participation rates. Therefore, city-wide counts are used for these four cities, as well.

businesses outside of DIAs. Though participation rates have been relatively high for cannabis businesses, these suggest challenges in the application pipeline.

- Macro-economic conditions in the cannabis market and in the wider economy have deteriorated in recent years: business costs have increased over the past five years for retailers and transportation & logistics businesses in the United States, first during the recovery from the COVID-19 pandemic and currently due to higher inflation and tariffs on imports. Higher costs for materials, packaging, energy, and other types of goods are felt across sectors, including the cannabis industry. Adding to the challenges of succeeding as a marijuana business, marijuana delivery is only permitted in 59 percent of towns and cities in Massachusetts, while dispensaries are only permitted in 56 percent of towns and cities.
- At the same time, marijuana product prices in Massachusetts have fallen since legalization, threatening business performance. Combined with weak and inconsistent sales growth and geographic restrictions on marijuana business operations, these conditions have reduced profit margins for delivery businesses and retailers alike.

In light of the underdevelopment of the cannabis delivery sector as seen in the quantitative data and the difficulties experienced by business owners reflected in interviews, public comments, and survey responses, **the evidence shows that the delivery exclusivity policy has not met its intention of achieving full participation and financial feasibility in the industry.** Primary barriers related to feasibility and sustainability have been identified by delivery exclusivity applicants and licensees as the following:

- Costly start-up
- Lengthy and confusing application process
- Extensive and prohibitive requirements
- Seemingly underdeveloped and unsustainable market conditions

It is important to note that the process may not seem inherently lengthy or difficult given the highly regulated nature of the cannabis industry. But most qualified candidates who seek to establish delivery businesses face structural and financial barriers that hinder their access and progress from the start.

Considering the conclusions drawn from the analysis of industry data and participant feedback, our overall recommendation is that **the delivery exclusivity period should be extended, but changes should be considered to reduce barriers and consider broader market conditions in the cannabis sector to maximize program goals.**

The initial three-year period appears to have been too limited a time frame for the effects of the policy and its follow-up interventions to be measurably realized, **we suggest that the exclusivity period be extended for an additional five to seven years.**

At the same time, to promote full participation in the cannabis industry by disproportionately impacted people and to improve business performance and financial feasibility, UMDI recommends the following actions:¹⁴

- **Streamline and simplify as much of the licensing process as possible.** To create a more feasible and sustainable business model for DE licensees, interventions should seek to create efficiencies or economies of scale that lead to cost savings relative to these business models.
- **Streamline municipal involvement.** Interventions that help streamline requirements, increase transparency, and build uniformity for applicants in their interactions with municipalities can help shorten application timelines and get operators into the industry with a greater likelihood of success.
 - **Continue to promote resources for agreements and guidelines to working with municipalities.** Model host community agreement (HCAs) guidance documents can ensure that there are fewer unexpected costs or requirements, help applicants navigate the process with fewer legal or professional service costs, regulate fees and create a simpler process overall, though many survey respondents report having difficulties with these aspects of the application. It is important that the CCC continue to promote these resources and related technical assistance.
 - **Ensure agreements with municipalities are timely.** To fully capitalize on an exclusivity period, applicants should be able to move through the licensing process as quickly as possible. It is important that the CCC urge communities to expedite the process of creating HCAs and in negotiating other agreements with delivery operators.
 - **Lobby to change statutory requirements to minimize HCA requirements for delivery couriers.** HCA requirements for delivery couriers may be extraneous or prohibitive for these businesses who do not have brick-and-mortar locations. Changes such as centralized agreements for applicants to avoid negotiating multiple HCAs, requiring HCAs for only the city in which a courier is headquartered, or bundling HCAs for couriers within the HCAs already negotiated by their retail partners could further reduce barriers by reducing the cost of applications and limiting the hours used administratively and bureaucratically for these business types.
- **Streamline the application process for licensing.** Interventions that address the volume of requirements, specific requirements that cause issues, the number of parties (municipalities, the CCC, or retail partners) involved in the process, or are otherwise non-essential can help applicants reach operation and therefore profits sooner, capitalizing on the DE period.
 - **Reconsider the two-phase application process.** Applications could move on to provisional licensure once they're pre-certified without re-initiating the

¹⁴ In this summary we note when the Commission does not have full jurisdiction to address the issue.

- application process or submitting repetitive paperwork to reduce confusion and reliance on legal or professional services.
- **Reconsider requirements that are not essential to operation.** There are several requirements that must be in place before a license is awarded. These requirements slow down when a potential licensee might be able to make money or run the risk of a license not being granted. Ancillary requirements that may not be related to security, operations, or safety could either be completed after commencing operations, or could be removed entirely. Additionally, restructuring the requirements for physical space, allowing a submission later in the process could help reduce the financial burden of rent, which is very costly and adds large upfront costs with the current requirement of securing a space before licensure.
 - **Bolster access to capital.** Interventions that expand options for financing, the amount of capital available, and the source of this capital could fill gaps for applicants and improve business feasibility for new business owners.
 - **Encourage the legislature to expand the use of the Cannabis Social Equity (CSETF) Trust Fund.** Encouraging the legislature to appropriate more funds, more funding rounds, allow different uses for these funds, and encourage the implementation of additional forms of capital such as low-interest loans could help fill gaps between current grants and remaining costs for business owners.
 - **Consider partnering with other financing organizations, such as MassDevelopment to offer capital to the industry.** To supplement CSETF funding, the CCC could separately partner with organizations like MassDevelopment to provide the capital needed for low-interest loans and connect participants to other valuable business growth resources.
 - **Create channels to accelerate connections across the industry.** Interventions that could centralize connections, and possibly even contracts between businesses in the industry, could save time and effort for applicants, adjust start-up costs and efforts to the scale of delivery businesses, and even promote higher rates of utilization across the delivery industry.
 - **Consider channels for business-to-business connections.** Applicants who are at the approved or pre-approved stage could either elect to be a part of, or automatically be added to, a platform or database on which retailers and manufacturers are already registered for the purpose of connecting with other licensees in the industry. This could help delivery businesses get more visibility and would likely benefit all corners of the market. An additional facet of this platform could be a centralized delivery contract, which retailers and manufacturers could opt-in to, eliminating the need for individual contracts between businesses.
 - **Consider channels for business-to-consumer connections.** A platform or landing page which promotes all operators, delivery or not, could be a place for delivery operators to boost their visibility or connect with retailers and manufacturers. While some similar platforms exist, they do not promote all licenses, and a platform managed by the CCC could promote *all* licensed operators, which could be beneficial for both businesses and consumers.

To enable effective assessments of the delivery exclusivity period in the future, UMDI recommends the following interventions:

- Standardize data systems and data collection.
- Include new measures in CCC datasets to indicate:
 - A yes or no variable indicating ‘disproportionately impacted’ status for licenses, agents, and persons with authority;
 - A yes or no variable indicating whether the agent or ‘person with authority’ is a person of color (using existing data on detailed race and ethnicity, including write-in answers that are difficult to analyze);
 - and a yes or no variable indicating whether the establishment is majority owned by a person or people of color.
- Address gaps in the Cannabis Social Equity Trust Fund data and allow alignment with Commission administrative data. The Commission would request changes from the Executive Office of Economic Development (EOED), which administers the CSETF.
- Improve tracking of SEP and EEP participants in the industry across administrative databases.
- Include delivery courier information in sales databases.
- Include additional fields in the agent-level data to specify job types to allow the determination of who is a payroll employee and indicate other key roles (owner, board member, etc.).
- Continue research to further understand these issues to identify interventions for improving feasibility and sustainability.

Delivery Exclusivity: Perspectives from Past and Current Cannabis Control Commissioners

This section provides findings from a series of interviews conducted during the summer 2025 with founding and current Commissioners of the Cannabis Control Commission (CCC). The interviews provided information on the Commission's approach to delivery exclusivity in Massachusetts from the perspective of Commissioners who instituted the program. Perspectives from the interviews helped inform data collection priorities and shaped the development of research methods to assess the exclusivity period. The process also provided qualitative data for questions that could not be answered through quantitative analysis alone.

From June through July 2025, the University of Massachusetts Donahue Institute (UMDI) facilitated a total of seven one-on-one interviews with past and current CCC Commissioners. All interview participants were identified and introduced to the UMDI team by an administrator of the Commission. For ease of participation, all interviews took place virtually over Microsoft Teams, with all times scheduled by an administrator of the Commission.

Conducting one-on-one interviews allows UMDI to include the input of current and past CCC Commissioners, who may not feel comfortable expressing their thoughts in an open group discussion format. All participants were guaranteed confidentiality and were informed that pseudonyms would be used if names were used in the report, allowing them to speak freely. This in turn addresses potential research concerns for response bias.

Interview questions were designed to better understand participant perspectives towards the main objectives for the delivery exclusivity period, as well as examine related challenges and successes of this period. See **Appendix A: Interview Guide for Commissioners** in this report for the full set of interview questions.

The interview findings in this section provide an overview of the delivery exclusivity approach, informing how the program might be measured and assessed. The section is broadly organized into the following five subsections as discussed by past and present Cannabis Control Commissioners:

1. **Setting objectives**, describing perspectives on why the delivery exclusivity period was initially developed and what the main objectives of this period were.
2. **Challenges**, describing the primary challenges Commissioners experienced throughout the process of establishing and overseeing the delivery exclusivity period.
3. **Meeting objectives**, describing past and current Commissioner perspectives towards whether the main objectives of the delivery exclusivity period have been met.
4. **Measuring success**, describing various approaches that may best measure the overall success of the delivery exclusivity period.
5. **Extending delivery exclusivity**, describing the Commissioners' thoughts about whether the delivery exclusivity period should be extended, and what an appropriate extension of this timeline may involve.

Each of the five topics described above are discussed in turn, using analyzed data from all seven one-on-one interviews with Cannabis Control Commissioners. For additional information on the interview methodology, see the **Methodology** section.

Establishment of Delivery Exclusivity Objectives

According to the Commissioners, the delivery exclusivity period was established by the Massachusetts Cannabis Control Commission as part of a broader effort to promote equity within the regulated cannabis market.¹⁵ The concept was developed in response to the war on drugs,¹⁶ or the period of intensified federal enforcement around the illegal drug market dating back to the early 1970s. It is widely accepted that this intensified enforcement disproportionately harmed communities of color through criminalization, over-policing, and systemic racism. The primary objective driving the establishment of delivery exclusivity was to create a more equitable industry by offering individuals from these historically harmed communities a viable pathway into the cannabis market.

The first step in achieving this goal involved the creation of delivery licenses that had fewer startup costs and lower barriers to entry. These licenses, including the delivery courier and the delivery operator, were intended to provide a more accessible entry point compared to more capital-intensive licenses such as retail and cultivation. These delivery license types were inspired by delivery service models used in other industries, such as Uber Eats, where drivers deliver goods directly to consumers without the need for a traditional brick and mortar store. By adopting this model, the Commissioners we spoke with described this as an aim to make the cannabis industry more accessible to individuals with limited financial resources, particularly those participating in the Social Equity Program (SEP)¹⁷ and the Certified Economic Empowerment Priority Applicants (EEP).¹⁸

These delivery license types were placed under a three-year exclusivity period to ensure that disproportionately impacted applicants had an opportunity to succeed before competing with larger, well-financed businesses for license access. The intent was to support long-term business viability and wealth creation by giving equity entrepreneurs time to establish operations, build a customer base, and potentially attract investment. In some cases, the goal was for these businesses to grow and be established enough that, once the exclusivity period ended, they could be acquired under fair terms, creating new opportunities for wealth creation for people traditionally excluded from this industry.

¹⁵ While the first Massachusetts delivery courier businesses were launched in July 2021, the exclusivity period began on the date the first delivery operator received a notice to commence operations in 2022. See 935 CMR 500.050(10)(b) and (11)(f). The original delivery exclusivity period was set for a three-year period starting on April 1, 2022 and concluding on April 1, 2025. The Cannabis Control Commission (CCC) voted in March 2025 to extend the exclusivity period for another 12 months, until April 1, 2026.

¹⁶ <https://drugpolicy.org/drug-war-history/>

¹⁷ <https://masscannabiscontrol.com/equity/social-equity-program/>

¹⁸ <https://masscannabiscontrol.com/equity/eea/>

Creation and Implementation Challenges

According to many of the Commissioners UMDI spoke with, the delivery exclusivity period faced various structural, regulatory, and operational challenges during its creation and implementation, which limited its effectiveness and highlighted the complexity of developing policies in a new and highly regulated market.

One of the most critical challenges was the lack of a clear, measurable framework to assess the delivery exclusivity period's success. During both the creation and implementation phases, the Commission did not establish specific metrics or overarching goals to evaluate the effectiveness of the exclusivity period. As a result, the Commission lacked the tools to understand key concepts of the period such as financial feasibility, business performance, rates of participation, and continued participation. Without these concepts, the Commission had no reliable way to understand the impact of regulations on delivery licensees. Additionally, several Commissioners interviewed by the UMDI team described the three-year duration of the exclusivity period as being chosen without a clear rationale or connection to long-term outcomes for equity licensees.

The exclusivity period encountered regulatory challenges, particularly related to public safety concerns. An example discussed frequently by Commissioners during interviews is the two-driver-per-vehicle requirement, which was introduced in response to concerns from both the public and the Commission. This push back stemmed from concerns that allowing marijuana delivery could increase crime. Drivers transporting large amounts of cannabis products or cash might become targets for theft. To address these concerns, the two-driver rule was implemented as a way to increase driver safety and protect their products. Although this requirement helped build support for the delivery license types, it significantly increased operating costs for licensees, as this effectively doubled payroll expenses. Many equity applicants found the two-person requirement financially burdensome and unsustainable, especially given the already tight profit margins in the cannabis delivery sector.

The statutory requirement allowing municipalities throughout the Commonwealth to opt out of delivery services also created uneven delivery implementation across the state.¹⁹ This made it difficult for the Commission to develop metrics and strategies to measure and achieve equity outcomes. This also limited the customer base and business potential for delivery licensees, creating a compounding effect that decreased the financial viability of many businesses.

At a broader level, the Commission faced internal operational challenges. Commissioners noted that the CCC itself lacked allies in the Legislature and was subject to public scrutiny over internal personnel issues, also, two Commissioner seats remained open during the first phase of this study. These pressures further complicated the creation and implementation of these delivery

¹⁹This statutory requirement, controlled by the legislature, allows communities to opt out of delivery services within their borders. Fifty-nine percent of towns allow delivery. Recently, the MA Senate passed an amendment to the new cannabis bill on this subject: Amendment S.2749. This legislation is not finalized but there is a good chance that the delivery statute is amended in the near future.

license types and the exclusivity period, limiting the Commission's capacity to provide support to licensees.

Finally, during interviews Commissioners expressed that there were significant gaps in training, mentorship, and business development assistance from the Commission to delivery licensees. Many equity applicants entered the industry with limited business experience and needed guidance to navigate the regulatory and financial reality of the cannabis market. While the Commission made significant efforts to support licensees at the beginning, continued technical assistance, mentorship and training could have helped delivery licensees build more sustainable businesses and fully benefit from the exclusivity period.

Meeting Primary Objectives of the Delivery Exclusivity Period

During interviews conducted in June and July 2025, Commissioners were asked if they considered whether the delivery exclusivity period's central objectives had been met. Many Commissioners expressed frustration. One such Commissioner citing that the media generally suggests the period's objectives have not been met and demonstrates a lack of faith in the Commission. Commissioners confirmed during the interviews with UMDI staff that the program was less successful than they hoped. One Commissioner criticized the exclusivity period as a whole:

I've come to the opinion that no exclusivity period has been proven to work anywhere in the country and not just for delivery. It was well intentioned, but I don't know if it has created the outcomes we were hoping for.

Other Commissioners interviewed were more optimistic towards the delivery exclusivity period citing that it had encouraged participation, but with partial success, which contrasts with statements made by other Commissioners. That said, all interviewed Commissioners expressed concerns about whether objectives of the program were met and frequently expressed a need for additional information on data such as continued participation and rates of participation.

One respondent claimed that while the central objective of the delivery exclusivity period was to improve the lives of Social Equity Program (SEP) participants and Economic Empowerment Priority Applicants (EEPs), this objective has not yet been achieved:

Even in our dataset, a majority of [all business] owners are white males. Regardless of the amount of profits, the barriers are still the same. SEP and EEPs should thrive, but their situation hasn't changed.

Participants assert that regulations related to delivery were likely too strict to start out. One Commissioner we spoke with described participant difficulty with being unable to deliver to every community they are in proximity to:

There is a list of communities in the state that do not allow for delivery. Unless delivery is allowed everywhere, there is a geographical dimension to this issue...That's another inequality, in that not everyone can go to the towns that they are near.

Additionally, one Commissioner observed that regulations, “didn't allow people to repackage products and resell them,” and concluded that, “We (the Commissioners) kept hearing this was not an economically feasible model.” Many participants in the delivery exclusivity period had trouble making significant financial returns and improving their livelihoods because of the regulations. The two-driver minimum requirement, for example, was viewed as a financial burden for businesses but a necessity for public safety.

Moreover, Commissioners raised concerns about the lack of data driving regulatory changes. One Commissioner observed that delivery exclusivity participants have had many difficulties navigating regulations, and that changes have not yet been successfully measured, including the issue of the two-driver rule. Changes made by the CCC have not been successfully measured as the time frame may not yet allow a proper assessment of the actions taken by the Commission. This concern was expressed by one frustrated Commissioner who observed, “Since October 2024 it hasn't even been a year for regulations to breathe. We don't know the true impact of our regulations.”

Overall, the Commissioners agreed that the delivery exclusivity period was partially successful and that this period did not meet their expectations in helping the lives of SEP and EEP participants. Commissioners cited missing key data as the reason which inhibited driving changes to the regulations.

Measuring Success

During their interviews, Commissioners were asked how the success of the delivery exclusivity period could best be quantitatively measured. Responses varied when it came to measuring the success of the delivery exclusivity period, likely reflecting differing Commissioner priorities. Some suggestions highlighted during interviews include:

1. Assessing licensees buying or maintaining their license
2. Assessing before/after regulations impacting sales/revenue
3. Surveying businesses' financial or economic feasibility
4. Surveying businesses' grants and capital infusion

Even though Commissioners suggested a range of potential metrics for quantifying the delivery exclusivity policy's success, one suggestion that came up multiple times was for the creation of a survey of delivery business owners. During one interview, a commissioner describes how implementing a survey may be useful in examining the exclusivity period's success:

I would do things like, financial or economic feasibility and see how growth, how they're able to grow... inquire if they're part of [the] social equity trust fund. How to acquire and access these metrics. There's no way to truly know... one way is being able to survey the people in this space. Operator delivery services have a different story than the couriers...

While there was no common consensus across Commissioners on how to best approach assessing the delivery exclusivity's success, everyone UMDI spoke with posed viable ways which could be incorporated to measure the overall success of the exclusivity period.

Extending the Delivery Exclusivity Period Timeframe

At the conclusion of each interview, Commissioners were asked a hypothetical question; If the delivery exclusivity period were to be extended, what would a reasonable timeline look like? There was consensus that the delivery exclusivity period should be extended, and many advocated for a prolonged period.

When asked, interviewees varied in their justification when it came to extending the delivery exclusivity period. Several Commissioners noted that the decision for the initial timeline of a three-year delivery exclusivity period was a potential marker to assess the success of delivery businesses and analyze effective return on investment. Other Commissioners recommended overhauling the delivery exclusivity period, restarting it altogether. In other interviews, Commissioners suggested three years because it seemed like a reasonable number. The intentional approach to ensuring the period continues in the future to allow participants to experience additional growth in this field was described by one Commissioner who asserts:

Extend[ing] to another 3-to-5 years would be fair. I say that only because there may be some new developments that emerge through social consumption that will also have an exclusivity period... Those equity loans can last anywhere from 5 to 20 years. So, we used that as a mark.

Another interviewee described a conversation with fellow Commissioners about the period being about five years:

There was a conversation about making it five years, a lawsuit followed that a group of entities wouldn't qualify for the license type... It happened immediately after regulations were written and promulgated.

While some Commissioners recommended continuing the exclusivity period for a shorter period than five years, several recommended prolonging the period indefinitely:

I think exclusivity could be extended a bit longer if there is interest. Unless you have to legally allow non-equity participants, I don't think there is any reason to ever end the exclusivity period.

The culmination of interviewee responses ultimately suggests that the exclusivity period should be extended for some number of years, and there should be more conversations about a possible extension for a longer period if not making the regulation permanent.

Delivery Exclusivity: Perspectives from Equity Programming and Community Outreach (EPCO) Staff

This section provides findings from a focus group conducted in early September 2025 with Commission Equity Programming and Community Outreach (EPCO) staff involved in running the Social Equity Program (SEP). Perspectives from the focus group helped to inform data collection priorities and shaped the research methods used to assess the exclusivity period. The discussion also provided qualitative data for questions that could not be answered through quantitative data alone.

In September 2025, the Donahue Institute facilitated a focus group with current EPCO staff at the Cannabis Control Commission. EPCO staff members were identified and introduced to the UMDI team by an administrator of the CCC. For ease of participation, this focus group interview took place virtually over Microsoft Teams, which was scheduled by an administrator of the Commission.

Conducting a focus group discussion with EPCO staff allowed UMDI to include direct input of the individuals working within the CCC's Social Equity Program and better understand the staff's thoughts towards the delivery exclusivity period, and its impacts on participants. All participants were guaranteed confidentiality, allowing them to speak freely.

Interview questions were designed to better understand EPCO staff perspectives towards the main objectives for the Social Equity Program, the delivery exclusivity period, as well as examine related challenges and successes of both topics. See **Appendix B: Focus group guide for EPCO staff** for the full set of focus group interview questions. Understanding EPCO staff perspectives on the impacts of the delivery exclusivity program is critical to assess its overall success and better understand the challenges involved.²⁰

The following section of this report will describe EPCO staff perspectives towards the delivery exclusivity period, broadly organized into the following two subsections, as discussed by staff:

1. **Social Equity Program services and participants**, describing the training and specific services offered to SEP participants, as well as the general business experience participants entering the program have.
2. **Impacts on SEP participant businesses**, describing the delivery exclusivity period's impact on SEP participant engagement in businesses, access to businesses, business profit and overall business feasibility.

²⁰ Even though SEP and CCC commissioner perspectives were included in this study through individual and group interviews, UMDI acknowledges a gap in the study's data collection on this topic. Originally, UMDI had planned to conduct two additional focus group interviews for this study - one with delivery exclusivity couriers, and the other with delivery exclusivity operators. For budgetary reasons, the focus groups were not conducted, and instead were replaced by a survey of delivery licensees and applicants.

Both topics described above will be discussed in turn, using analyzed data from the focus group discussion conducted with Social Equity Program staff. This section will conclude with a brief discussion by EPCO staff on recommended interventions and their final thoughts about the overall success of the delivery exclusivity period. For additional information on the focus group process, see the **Methodology** section.

Social Equity Program services and participants

The Social Equity Program was established in 2018 and is a component of the Cannabis Control Commission’s Equity Programming and Community Outreach department. The program offers technical assistance and training for those who have been disproportionately harmed by cannabis prohibition and the war on drugs.²¹ License owners receive various benefits by participating in the Social Equity Program, including fee waivers and discounts, exclusive access to delivery license types (marijuana courier and delivery operator licenses), the ability to apply for grants from the Cannabis Social Equity Trust Fund, as well as access to trainings and technical assistance. Cannabis industry workers can join the program as well to participate in SEP courses and trainings.

In the focus group, EPCO staff described the main goals of the program as educating new and current members on the cannabis industry, on various facets of owning a business, and learning the rules and regulations. EPCO staff emphasized accessibility as well, in “meeting everybody where they’re at,” and with an understanding that not everyone has the same background or past experiences, potentially due to “conscious or unconscious barriers or systemic barriers put in place against you.” One staff member succinctly explained:

Knowledge is power. You can’t do any better if you don’t know any better.

Moreover, the courses, trainings, and technical assistance available through SEP are designed to be transferable to other industries to help participants achieve success, whether that is with a cannabis business or other type of business. Staff understood this as a goal of the program as well, responding in the focus group:

We developed and refined a program that provides tech and training that you can use beyond the cannabis industry: resume, accounting, look at your background, teaching DEI, teaching workforce respect, if you’re already you’re a licensee with your doors open, I’m teaching retention, how to keep staff, it’s something any person can use on their journey.

There was broad agreement among EPCO staff that the most important aspect of the program was the legislation itself, which established a mission of equity and participation of disproportionately impacted groups as goals of marijuana legalization. Having the social equity

²¹ Massachusetts Cannabis Control Commission, *Social Equity Program*.
<https://masscannabiscontrol.com/equity/social-equity-program/>

program written into the law grants the staff the stability to provide their services even as leadership and other circumstances at the Commission may change. As one EPCO staff said:

Services change, leaders change, that's human nature. The most important service/ program is our legislation; it is embedded in the legislation what our mission is. It is a fact. That sets in motion the forward services prioritizations, no matter how strong or weak in intention.

Another staffer responded:

The intentionality of the law and having that written there is the most important service we provide.

Besides the CCC regulations which establish the Social Equity Program, staff also pointed to the technical assistance and training that is available as an important service they provide in support of participants, explaining that the number of courses has more than tripled. This allows more participants to access necessary knowledge and expertise on a wider range of topics.

Budgetary limits facing the Social Equity Program, as reported by EPCO staff, are a major challenge to achieving the program's goals. For instance, outreach in particular was named as an area where an inadequate budget impacted the program's ability to hold in-person events. By shifting to virtual outreach sessions, staff felt it was more difficult to reach potential participants.

Another challenge that was voiced in the focus group was the difficulty in evaluating or quantifying success for SEP participants, considering that the experience of these business owners and workers can vary so widely. Metrics or benchmarks that may be appropriate to gauge success for one group of participants may not be sufficient or appropriate for another group of participants.

There are four tracks of courses available to SEP participants: Entrepreneur, Leadership and Executive Development Pathway, Pathway to Employment, and Integrated Business Solutions.²² Among those various training pathways available, the focus group revealed two pathways that seem most popular among participants. First, a universal track prepares SEP participants with essential learning about the cannabis plant and industry as well as an introduction to regulatory terms and requirements. The entrepreneur track is another popular option that many participants consider the most important (especially those interested in starting their own business). EPCO staff report high retention, with participants returning for additional coursework and learning after completing their initial sessions.

When discussing the importance of prior experience, EPCO staff emphasized participation in the legacy market (the marijuana market before legalization). Many business owners and cannabis workers have prior experience in the legacy market and the Social Equity Program views that as

²² Massachusetts Cannabis Control Commission, *Social Equity Program Tracks*. <https://masscannabiscontrol.com/equity/sep-tracks/>

a strength. There is intentional outreach to members of the legacy market to identify their business knowledge, which, while informal, is foundational to the current legal market. As described by an EPCO staff member:

There is no legal cannabis market without the legacy market: how to sell it, what to sell, the best marketing strategies, understanding your clientele, public safety. All these are industry things to consider in your formal business that you may have from your informal experience. That experience is why a lot of people are interested in the cannabis market now.

During UMDI's group interview with EPCO staff, the topic of the program's impact on participants arose, frequently brought up by staff members themselves. The following section of this report examines the impacts the delivery exclusivity period has had on SEP participant access to and participation in business, as well as the period's impact on the profit and overall business feasibility of SEP participants. Each impact as discussed by EPCO staff will be examined, in turn.

Delivery exclusivity's impacts on SEP participant businesses

When asked their thoughts on the delivery exclusivity period's impact on SEP participant access to business, several staff voiced frustration. Many staff assert that most program participants aiming to establish businesses during this period still face structural and financial barriers. As one EPCO staff member observed:

[The] delivery license was supposed to be the lowest barrier to entry which is right there an issue. I know a lot of people who can't lease their own vehicle... [There remains] Still a barrier to accessing the [delivery exclusivity] license type. If I give you a meal, but there's not enough substance, is that deemed nourishment?

While EPCO staff do acknowledge that the delivery exclusivity period has had a positive impact on many program participant's access to business, staff are also quick to note that structural barriers faced by program participants continue to act as a barrier to many SEP participant's access to business.

Most staff we spoke with assert that accessing a vehicle, whether by owning or leasing one, remained an often-insurmountable obstacle for many program participants. Due to this obstacle, EPCO staff viewed participant access to business success during the delivery exclusivity period as structurally limited and dependent on accessing the resources they already have (such as owning or leasing a car). EPCO staff assert that while the historical lack of financial access and resources such as owning and leasing vehicles creates barriers to access business success for many SEP participants, it is not the only challenge they commonly face:

This [the delivery exclusivity period] is usually not people's primary focus; they need to sustain their normal life (business, families, education), as well. Has this [the delivery exclusivity period] increased access or have people given up on the

process? ...People need to deal with us [the Social Equity Program], financially have the time and patience to deal with the system.

While most EPCO staff we spoke with acknowledged that the implementation of the delivery exclusivity period has “benefited the industry,” they also note that “[the CCC] have a long way to go” in addressing more of the common structural barriers faced by SEP participants access to and participation in business.

One common structural barrier was around access to business loans with a staff member who observed, “(because of federal illegality) traditional business loans are not available to cannabis businesses.” Aiming to address this financial burden, one staff member noted that the delivery exclusivity period “was supposed to be less burdensome on access to capital. That was the focus of these license types.”

When UMDI asked EPCO staff if they thought the delivery exclusivity period had increased the amount of business participation for eligible people, staff told us that while this period had increased SEP member business participation, many structural and financial barriers remain a challenge for participants seeking to participate in business. EPCO staff also strongly urged the Cannabis Control Commission to continue increasing the forms of structural and financial support available to SEP participants, with many staff members viewing the delivery exclusivity period as a starting point in supporting people disproportionately harmed by the war on drugs within the Commonwealth’s cannabis industry:

I would not say it (the DE period) has evened out the playing field. If we wanted that, we would have put a prioritization on all license types. So, what was the real intentionality? To say “I did something” without actually repairing the harms. What these [historically marginalized/underrepresented] communities have shown is that they know how to work within the confines of the system.

Every EPCO staff member we interviewed emphasized the need for the CCC to continue implementing forms of support to participants within the social equity program. One staff member describes this need, reasserting support in favor of continuing to maintain the delivery exclusivity period in the immediate future:

They need to identify more ways to make the exclusivity access type mean something. Because over regulation (of the cannabis industry) has made it challenging to (SEP participants) getting (their businesses) off the ground, opening up this license to everyone will be devastating.

To learn more about the firsthand experience of program participants, the research team asked EPCO staff if they had a sense of how the delivery exclusivity period impacted SEP participant business profits and overall business feasibility. All staff members we spoke with described challenges with this period for its participants, as highlighted by one staff member who noted:

What I've heard from different courier licensees: it hasn't been very feasible or profitable, a lot of learning on the fly, and being saved by the skin of your teeth, it's not a good business model.

Staff did believe that the delivery exclusivity had a slight positive impact on participants' business profit, but many staff also stressed that this period should be treated as a starting point for building more robust structural supports aimed to help increase SEP business feasibility and profit. One staff member concluded:

If you'd spoken to most delivery exclusivity operators in the industry, they would not identify this period as an incentive; probably would say it's the least we can do to meet their needs, bare minimum of what this license type was supposed to do.

EPCO staff recommendations and final thoughts

At the conclusion of UMDI's focus group with EPCO staff, participants were asked about their overall thoughts on the importance of the delivery exclusivity period to a participant's business success, and recommendations they may have for future improvement of this period. There was consensus among staff that the delivery exclusivity period has likely benefited the business success of participants, but staff frequently stressed that the exclusivity period is only one measure that should be expanded, to support the business success, and long-term feasibility of Social Equity Program participants. This point was described by one EPCO staff member who asserted:

Delivery exclusivity is the least we can do, but what is the most we can do? As an agency and industry, and as legal as we can make it, we should be thinking of how to support these businesses for as long a time as possible to make these businesses as profitable as possible and right some of the wrongs.

There was consensus among EPCO staff to extend the period of delivery exclusivity for SEP participants and expand measures that help create "immediate relief for the businesses" of delivery exclusivity couriers and operators.

EPCO staff recommended several interventions to help further the feasibility and success of DE participant businesses, as one staff member recommended that the Cannabis Control Commission should begin, "identify[ing] the things, we [the CCC and SEP] could do that would be sustainable."

The main suggestions EPCO staff described for supporting delivery exclusivity operator and courier businesses were around increasing structural forms of support for participants such as increasing access to and increasing advocacy around capital for delivery couriers and operators. One EPCO staff member noted that further reducing the cost of annual license fees and any additional fees would likely "help people along financially."

Analysis Results

Cannabis Industry Landscape

The delivery exclusivity program was created to enable those who have been harmed by the war on drugs to enter and participate in the cannabis industry. In 2025, only a small proportion of *commence operations* licenses, those that the CCC has granted approval to open for business, are delivery licensees. Currently, there are 746 licensees across all license types that have *commence operations* status (**Table 2**). Thirteen of these *commence operations* licensees are delivery couriers and 19 are delivery operators, while one microbusiness has a delivery endorsement status in operation. **This totals to 33 delivery licensees in operation in the industry, or roughly five percent of all licensees.** While not included in this table, there are an additional 115 courier pre-certification licensees (though only 16 of those have not yet expired) and 117 delivery operator pre-certification licensees (though only 19 of these have not yet expired). An additional two microbusinesses are applying for delivery endorsements in 2025.

Table 2: Active Licenses and Commence Operations Licenses by License Type

License Type	Final or Provisional Licenses		Commence Operations Licenses	
	N	%	N	%
Independent Testing Laboratory	15	1%	13	2%
<i>Marijuana Courier</i>	25	2%	13	2%
<i>Courier Licenses held by Retailers</i>	9	0.7%	3	0.4%
<i>Courier-Only Licenses</i>	16	1%	10	1%
Marijuana Cultivator	329	27%	140	19%
<i>Marijuana Delivery Operator</i>	40	3%	19	3%
<i>Delivery Operator Licenses held by Retailers</i>	2	0.2%	1	0.1%
<i>Delivery Operator-Only Licenses</i>	38	3%	18	2%
Marijuana Microbusiness	32	3%	15	2%
<i>Marijuana Microbusiness Delivery Endorsement</i>	3	0.2%	1	0.1%
Marijuana Product Manufacturer	263	21%	125	17%
Marijuana Retailer	514	42%	412	55%
Single-Store Retailer Licenses	304	25%	235	32%
Multi-Store Retailer Licenses	210	17%	177	24%
Marijuana Transporter with Other Existing ME License	8	1%	4	1%
Third Party Marijuana Transporter	6	0.5%	5	1%
Total	1,232	100%	746	100%

Source: Cannabis Control Commission.

Note: delivery license types are the main focus of the analysis of this report. This table counts the number of licenses rather than the number of businesses (a single business may hold multiple licenses). This administrative dataset does not include a variable for disproportionately impacted status.

In comparison, the core supply chain of the cannabis industry, from growers to manufacturers to brick-and-mortar dispensaries, represent the majority of license holders. Marijuana retailers are the most common license type (55% of operating licenses), followed by marijuana cultivators (19%) and marijuana product manufacturers (17%). These three license types account for 91 percent of all licenses in operation. Put in this context, delivery services are a relatively small share of the cannabis market.

This count, however, overestimates the number of businesses engaged purely in delivery service. A single business (as determined by tax identification number) may hold licenses across different types or multiple licenses of the same type. For instance, of the 13 courier licenses in operation, three are held by businesses which also operate a retail location.²³ This leaves just 10 businesses that solely operate as a courier. Similarly, there is one business that runs both a brick-and-mortar dispensary location and a delivery operator license, leaving 18 solely delivery operator businesses in the market statewide. **This is an important distinction between types of establishments because the concepts of business performance and financial feasibility, two of the measures identified by CCC regulations and addressed in this report, are partly a function of revenue streams.** Diversified businesses (operating multiple license types) may fare better in the face of industry challenges than a business invested solely in any one area, such as delivery.

In a similar distinction, **Table 2** disaggregates retailers between businesses that operate just a single dispensary against those that operate multiple storefronts. This is a proxy to determine which are more likely to be small businesses (and thus more exposed to economic challenges) versus those which are more closely associated with larger businesses, potentially multi-state operators (which may have additional financial and other resources that allow them to weather difficult market conditions). Most marijuana retailers are single-store operations, both among all active licenses and among operating licenses. By this measure, retailers are more likely to be small businesses, as well.

These distinctions help to understand the cannabis industry landscape, which is a complicated web of supply chains and interconnected businesses, some of which operate with a singular function while others are diversified. Against this backdrop, the delivery component of the cannabis industry is relatively small, even more so when considering businesses that operate as delivery only.

Overview of the Analysis

While the section above provides industry background, the analysis for this study follows a strict structure based on the required criteria for evaluating whether the goals of the exclusivity period have been met, as itemized in the regulations.²⁴ The legislative mandate establishes the same series of goals to assess the delivery exclusivity period for each of the three delivery

²³ Delivery licenses are limited, on an exclusive basis, to businesses controlled by, and with majority ownership comprised of, Certified Economic Empowerment Priority Applicants and/or Social Equity Program Participants for a period of at least 36 months from the date the first Delivery Operator licensee receives a notice to commence operations. See https://masscannabiscontrol.com/wp-content/uploads/2021/05/20210528_FAQs_Cannabis_Delivery.pdf

²⁴Source: 935 CMR:500.050 (10b) Marijuana Courier and (11f) Marijuana Delivery Operator; (pp. 37-39). Accessed June 2025. <https://www.mass.gov/doc/935-cmr-500-adult-use-of-marijuana/download>.

license types: marijuana courier, marijuana delivery operator, and microbusiness delivery endorsement. Although the assessment topics are itemized in the legislation, measurement criteria and parameters for the assessment were unspecified. Therefore, developing effective criteria for the assessment was a primary requirement of this study and subsequent analysis.

As described in Commission regulations, criteria must be developed to determine whether the delivery exclusivity period has been successful in meeting its stated goal of “promot[ing] and encourag[ing] full participation in the regulated Marijuana industry by people from communities that have previously been disproportionately harmed by Marijuana prohibition.”²⁵ Based on key informant interviews and a review of relevant datasets, including publicly available quantitative data on the Commission’s Open Data webpage as well as public meeting feedback, and internal sales- and agent-level data, UMDI developed criteria for evaluating Goals A through G as listed in the regulations. UMDI then grouped these goals into thematic categories – **Representation and Participation in the Cannabis Industry; Business Performance and Success for Delivery Exclusivity Licensees; Business Feasibility and Sustainability, and Policy Impacts**— which are detailed in the following table:

Table 3: Structure of Analysis based on Regulatory Evaluation Goals

The findings in this report address required areas of evaluation as defined by the Commission regulation and are grouped by theme.

Report Section Heading	The Commission shall develop criteria for evaluating whether the goals of the exclusivity period are met, which shall include, but not be limited to:
Representation and Participation in the Industry	a. Overall rates of participation in the regulated marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement of the law
	b. Overall rates of participation in the regulated Marijuana industry by people of color
	c. Licenses granted to businesses with majority ownership comprised of Economic Empowerment Priority Applicants and Social Equity Program Participants
	d. Number of registered agents who are Social Equity Program Participants
Business Performance and Success	e. Number of Delivery Licensees in operation and business performance relative to other Marijuana Establishments
Business Feasibility and Sustainability	f. Financial feasibility of continued participation in the regulated Marijuana industry by communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law if exclusivity period ends
Policy Impacts	g. Any other information the Commission determines relevant

Note: The above table summarizes the criteria required for evaluating whether the goals of the exclusivity period are met. Source: 935 CMR:500.050 (10b) Marijuana Courier; and 935 CMR 500.050(11b) Marijuana Delivery Operator;(pp. 37-39). Accessed June 2025. <https://www.mass.gov/doc/935-cmr-500-adult-use-of-marijuana/download>

²⁵ Massachusetts Cannabis Control Commission, 935 CMR 500.050(10)(b).

Data Sources Used in the Study

Government provided data sets

CCC datasets, publicly available on the Commission’s Open Data webpage as well as internal datasets on sales, agents, and Social Equity Program participants, were anonymized for use in this report. Cannabis Social Equity Trust Fund awards data were provided by the Massachusetts Executive Office of Economic Development, which administers the grant program. Finally, quantitative data from several external datasets were used to benchmark CCC data against the broader economy. These include the Massachusetts Executive Office of Labor and Workforce Development ES-202, the U.S. Census Bureau Non-Employer Statistics, the U.S. Census Bureau American Community Survey, and the U.S. Census Bureau Population Estimates Program.

Survey of delivery licensees and applicants

In collaboration with the CCC, UMDI designed a survey of delivery exclusivity license applicants and business operators. The team created a short web-based survey to better understand licensee and applicant experiences as participants in the delivery exclusivity period. The survey was designed specifically to elicit answers that speak to the goals outlined by the regulation. Questions for delivery exclusivity participants who are already in operation touched on business feasibility and sustainability, start-up costs, barriers to success, and policy impacts. Questions for delivery exclusivity applicants touched on the process of acquiring a license, barriers involved with acquiring a license, and improvements to the application process. Both operators and applicants who responded to the survey were asked questions about experiences with and benefits of the delivery exclusivity period as well as experiences with and benefits of the Cannabis Social Equity Trust Fund.

Table 4: Survey Responses by DE Filter

DE Applicant or Operator	Count	Share
Yes	57	69%
No	26	31%
Total	83	100%

Respondents who answered “No” when asked whether they were applying for or currently operating a delivery exclusivity license were directed out of the survey. An additional 10 respondents who indicated being a DE applicant chose “None of the above” for an application type and were directed out of the survey. An additional two operators of non-delivery businesses indicated “None of the above” as their application type and were directed out of the survey. As a result, there are 45 complete responses to the survey.

Table 5: Responses by License Type and Commence Operations Status

License Type by Operation Status	Count	Share
Operator	20	100%
Courier Only	6	30%
Delivery Operator only	4	20%
Other business with or applying for Courier License or Delivery Endorsement	10	50%
Applicant	25	100%
Courier and Delivery Operator	9	36%
Courier Only	2	8%
Delivery Operator only	10	40%
Other business with or applying for Courier License or Delivery Endorsement	4	16%
Total	45	100%

Public Comments and Public Meeting Feedback

The current evaluation also considered feedback submitted during the public comment period opened by the CCC regarding the delivery exclusivity period.²⁶ Written feedback, submitted through letters and emails, came from key stakeholders with direct experience with the delivery exclusivity period. Those offering written comment during the period included social equity business owners, equity advocacy organizations, and cannabis industry organizations. An additional source of feedback came from statements made at public meetings which provided additional opportunities for public comment on delivery exclusivity.

A thematic analysis of the source documents was conducted. Commission research staff provided a comprehensive qualitative analysis of 74 Commission documents containing public feedback and meeting minutes regarding the delivery exclusivity period. The analysis examined stakeholder perspectives on two independent dimensions: (1) support for the concept of delivery exclusivity licenses reserved for social equity participants, and (2) support for extending or maintaining the current two-year exclusivity period.

The key findings from the analysis were in four areas and are discussed in depth in a separate technical report which will be submitted with this report.²⁷ Briefly, the analysis reveals strong stakeholder consensus favoring continued protection of the delivery exclusivity period. The complete absence of opposition to extension, combined with majority support for the equity licensing concept itself, suggests that stakeholders view the policy as serving important equity goals while requiring additional time to achieve its intended outcomes. These findings indicate that the policy has broad legitimacy among engaged stakeholders, though concerns about operational sustainability and timeline adequacy remain prominent.

²⁶ As part of the content review in Phase I of this project, UMDI designed a plan for the analysis of public feedback about the delivery exclusivity period provided to the Commission in late 2024. UMDI shared the plan with Cannabis Control Commission Research Department staff, who conducted the analysis.

²⁷ *Qualitative Analysis of Public Feedback on Cannabis Delivery Exclusivity Policy*. Cannabis Control Commission. November 2025.

Key Findings

The delivery exclusivity period has succeeded in some important ways, namely by encouraging high rates of representation and participation of disproportionately impacted business owners in the cannabis industry. This is true both within disproportionately impacted areas, where delivery businesses are comparatively well represented, and for business owners and agents who are people of color, who participate at higher rates in the cannabis industry compared to the participation of people of color in the Massachusetts economy overall.

However, the delivery exclusivity policy has not completely met its intended goal of encouraging full participation in the industry by disproportionately impacted people. **Despite the high rates of participation within DIAs and for people of color, the total number of delivery businesses represents only five percent of license holders who are open for business.** Based on the analysis in this report, there are a number of indications that delivery licensees are not reaching their potential. Looking at the annual uptake of delivery licenses, this appears to be a segment of the industry that is lagging. For instance, the number of courier licenses grew at an annualized rate of 19 percent during first three years that the courier license was available. Delivery operators grew at a 68 percent annualized rate. In comparison, the number of retailer licenses grew by 235 percent annually for its first three years, and the industry overall grew at a 212 percent annualized rate. These license types are therefore not fully realized as a robust opportunity for helping disproportionately harmed people to participate in the cannabis industry in Massachusetts at higher levels.

Serious factors in the underutilization and slow rollout of these licenses reflect the prohibitive regulatory and market forces within the industry that have created severe difficulties for people utilizing these licenses. Macro-economic conditions in the cannabis market and in the wider economy have deteriorated in recent years; combined with weak and inconsistent sales growth, these conditions have reduced profit margins for delivery businesses and retailers alike. Additionally, survey respondents indicated that policy interventions made by the CCC have not been implemented for long enough or have not addressed core issues affecting business conditions. These challenges negatively impact all small businesses in the cannabis industry, among them delivery licensees.

In light of the underdevelopment of the cannabis delivery sector as seen in the quantitative data and the difficulties experienced by business owners reflected in interviews, public comments, and survey responses, **the evidence shows that the delivery exclusivity policy has not met its intention of achieving full participation and financial feasibility in the industry.** In this context, the delivery license types do not provide the kind of low-barrier of entry into the cannabis industry and feasible business model that the policy originally imagined and intended.

Throughout the **Analysis Results** section, **blue**-highlighted text represents datapoints or takeaways that are positive trends for or impacts of the delivery exclusivity policy. **Orange**-highlighted text represents unmet goals or challenges for the policy.

The following is a summary of the major findings for each analysis section, covering Goals A through G, as well as a brief determination of whether the goals have been met or not.

Representation and Participation in the Cannabis Industry – this goal has been partially met.

- **Partially Met: Full Representation of DIA²⁸ Licensees** – Businesses in disproportionately impacted areas (DIAs) have generally achieved full participation in the cannabis industry, as cannabis businesses are more likely to be located in DIAs compared to Massachusetts establishments overall (couriers are 39 percent more likely to be located in DIAs and delivery operators are 52 percent more likely to be located in DIAs compared to the Massachusetts retail sector). Though, there are challenges in the application pipeline for delivery businesses in DIAs. Marijuana businesses in DIAs take longer to achieve final licensure compared to marijuana businesses outside of DIAs, meaning that cannabis businesses located in DIAs have taken longer to open (160 days longer for couriers and 104 days longer for delivery operators). Additionally, proportionally fewer businesses in DIAs are in the operational stage, with a higher percentage achieving final licensure but remaining unopened compared to cannabis businesses outside of DIAs.
- **Partially Met: Progress toward Participation of People of Color** – There is higher participation in the cannabis industry among people of color for delivery license types compared both to all other license types and compared to business ownership rates for people of color in the state overall. Fifty eight percent of courier businesses and 53 percent of delivery operator businesses are owned by people of color. Comparatively, only 25 percent of all businesses in Massachusetts are owned by people of color. The benefits of the delivery exclusivity policy, however, are not fully shared outside of the delivery license types, and people of color seem to still face barriers when opening businesses in the cannabis industry.
- **Not Met: Costly Barrier to Licensure** – Nearly all respondents to the survey reported the process of getting a license to be difficult or extremely difficult, and reported facing barriers such as unaffordable start-up costs, followed by lack of financing options, and too much paperwork.
- **Partially Met: Growing SEP Usage** – Participation in the Social Equity Program has steadily increased since the program was introduced, and most SEP participants are people of color. However, SEP agents who are people of color are less likely to have approved and active applications to join the program, and more likely to have incomplete or deleted applications compared to SEP agents who are not people of color. For instance, 45% of SEP agents who

²⁸ Disproportionately Impacted Areas (DIAs) are defined by UMass Donahue Institute's March 2021 report: *Identifying Disproportionately Impacted Areas by Drug Prohibition in Massachusetts*, with the addition of the City of Lawrence. This represents a hybrid approach when combined with the list of DIAs on the CCC website: <https://masscannabiscontrol.com/equity/dia/>. The full list of city-wide DIAs used in this report is: Barnstable, Dennis, Falmouth, Mashpee, Truro, Yarmouth, North Adams, Pittsfield, Attleboro, Fall River, New Bedford, Raynham, Taunton, Oak Bluffs, Andover, Beverly, Haverhill, Lawrence, Lynn, Methuen, Peabody, Salem, Salisbury, Greenfield, Montague, Agawam, Chicopee, Holyoke, Palmer, West Springfield, Westfield, Northampton, Everett, Malden, Marlborough, Medford, Somerville, Woburn, Braintree, Norwood, Quincy, Randolph, Stoughton, Weymouth, Brockton, Middleborough, Plymouth, Wareham, Chelsea, Revere, Fitchburg, Gardner, Leominster, Southbridge, Spencer, Sturbridge, and Webster. Further, four cities are defined by the Census Tract level: Boston, Worcester, Springfield, and Lowell. However, Census tract-level data is not available several CCC datasets, nor available for some external datasets used to benchmark participation rates. Therefore, city-wide counts are used for these four cities, as well.

are people of color have an active status to their application, compared to 57% of SEP agents who are not people of color.

Business Performance & Success for Delivery Exclusivity Licensees – this goal has not been met.

- **Not Met: Challenging Industry Backdrop** – Macro-economic conditions in the cannabis market and in the wider economy have deteriorated in recent years and, in combination with geographic restrictions on marijuana business operations, have negatively impacted the business performance of delivery and brick-and-mortar dispensaries alike. Adding to the challenges of succeeding as a marijuana business, marijuana delivery is only permitted in 59 percent of towns and cities in Massachusetts, and dispensaries are only permitted in 56 percent of towns and cities.
- **Not Met: Weak and Inconsistent Sales Growth** – Over the past several years, sales growth has been positive for only delivery operators, while couriers and retailers have seen stagnant sales over the same period.
- **Not Met: Reduced Profit Margins** – Business costs have increased over the past five years for retailers and transportation & logistics businesses in the United States, first during the recovery from the COVID-19 Pandemic and currently due to inflation and higher tariffs on imports. Higher costs for materials, packaging, energy, and other types of goods are felt across sectors, including the cannabis industry. At the same time, competition in the market has increased and marijuana product prices in Massachusetts have fallen since legalization, reducing profit margins and threatening business performance.

Business Feasibility and Sustainability – this goal has not been met.

- **Not Met: High and Unexpected Start-Up Costs** – Despite some progress on lowering costs through fee waivers, delivery exclusivity businesses report difficult financial conditions and unexpectedly high start-up costs. In addition, data shows a shrinking pipeline of applicants and a lack of necessary funding for new businesses.
- **Not Met: Unfavorable Business Perceptions and Barriers to Future Plans** – Most respondents have either neutral or negative perceptions of their current business conditions, and most respondents anticipate barriers to fulfilling these plans, primarily related to the delivery exclusivity period ending or increased competition because of it ending. Despite these challenges, the majority still intend to expand their business in the coming year.

Policy Impacts – this goal has been partially met

- **Partially Met: Positive Impacts from Regulatory Changes** – Respondents felt that all regulatory changes to the number of drivers, electronic records and delivery hours had generally positive impacts on their business, with the removal of the two-driver rule being the most significant positive impact.
- **Not Met: Significant Barriers with Municipalities** – Reported experiences working with municipalities were generally negative, and many respondents experienced significant

barriers to entering the cannabis industry specifically due to negotiating host community agreements (HCAs).²⁹

- **Partially Met: Well-Utilized and Highly Beneficial Cannabis Social Equity Trust Fund (CSETF)**³⁰ – The majority of respondents are currently utilizing the CSETF, and an overwhelming 94 percent of respondents reported that the CSETF benefitted them a lot (the most positive answer on the scale provided). The most common purpose of CSETF grants was reported to be professional services, as well as business expenses, facility capital expenses, and facility fees.

Representation and Participation in the Cannabis Industry

Goals A, B, C, and D from the Cannabis Control Commission regulations (935 CMR 500) are addressed in this section.

In this section, we discuss representation and rates of participation in the delivery exclusivity period in several ways in response to the defined criteria. We assess rates of participation of delivery licensees from disproportionately impacted communities; rates of participation of people of color; Social Equity Program and Economic Empowerment Priority business owners and engagement with licensing; and Social Equity Program participants as registered agents in the industry.

Representation and Participation in the Industry	a. Overall rates of participation in the regulated marijuana industry by people from communities that have previously been disproportionately harmed by marijuana prohibition and enforcement of the law
	b. Overall rates of participation in the regulated Marijuana industry by people of color
	c. Licenses granted to businesses with majority ownership comprised of Economic Empowerment Priority Applicants and Social Equity Program Participants
	d. Number of registered agents who are Social Equity Program Participants

²⁹ Host Community Agreements are terms reached between a marijuana establishment and a local government, detailing conditions that the marijuana establishment must meet in order to commence operations: <https://masscannabiscontrol.com/host-community-agreement/>

³⁰ The Social Equity Trust Fund is a grant program administered by the Massachusetts Executive Office of Economic Development for marijuana establishments, including those in the application process to those in operations: <https://www.mass.gov/info-details/cannabis-social-equity-trust-fund>

Analysis

PARTICIPATION OF PEOPLE FROM DISPROPORTIONATELY IMPACTED COMMUNITIES

Goal A of the exclusivity period assessment seeks to measure rates of participation in the cannabis industry by people from communities that have been disproportionately harmed by marijuana prohibition and the war on drugs.

Headline: This goal has partially been met - businesses in disproportionately impacted areas have generally achieved full participation in the cannabis industry, though there are challenges in the application pipeline for cannabis businesses located in these areas.

- **Partially met: Delivery couriers and operators are geographically well represented and more likely to be in disproportionately impacted areas relative to the proportion of non-cannabis businesses in similar sectors located in the region (Figure 1 and Figure 2).**
- **Partially met: Additionally, license types targeted by the delivery exclusivity policy are more likely to be in areas of disproportionate impact compared to other cannabis license types, such as marijuana retailers. (Figure 1 and Figure 2).**
- **Not met: Delivery businesses in DIAs take longer to receive licensure and to commence operations compared to delivery businesses in other parts of the state (Figure 3).**
- **Not met: A smaller proportion of DIA delivery licensees reach the commence operations stage overall compared to delivery licensees outside of DIAs and compared to marijuana retailers, meaning more delivery licensees remain in the pre-revenue stages of business formation (Figure 4).**
- **Partially met: The Cannabis Social Equity Trust Fund is proportionally more likely to fund delivery businesses in DIAs compared to other areas. In contrast, marijuana retailers located in DIAs are no more likely to receive a CSETF grant than marijuana retailers located outside of DIAs.**

The analysis of disproportionately impacted individuals in the industry is challenged by gaps in the administrative data, as well as a lack of comparable data external to the Commission that could serve as a benchmark. While disproportionately impacted people and groups are defined by the Commission³¹ and the term is reflected in SEP program qualification criteria, a field indicating this status is not included as a variable in the administrative data sets used by the Commission. For example, agent and business databases do not contain a field indicating an official status as ‘disproportionately impacted.’³² Similarly, there is no data, in the cannabis industry or in the Massachusetts economy overall, on whether business owners have been negatively impacted by criminal justice system in their past. Without these variables in the

³¹ According to the Commission, disproportionately impacted people / groups include past or present residents of geographic areas of disproportionate impact; certified Economic Empowerment recipients; Social Equity Program participants; Massachusetts residents with past drug convictions; and Massachusetts residents with parents or spouses who have drug convictions. From Guidance on Plans to Positively Impact Disproportionately Harmed People. Accessed July 2025. <https://masscannabiscontrol.com/wp-content/uploads/2020/01/Guidance-on-Plans-to-Positively-Impact-Disproportionately-Harmed-People-1.pdf>

³² A term that could approximate for this is status as an Economic Empowerment Priority Applicant and/or a Social Equity Program Participant.

Commission’s data sets or in external benchmarks, it is impossible to comprehensively analyze the participation of disproportionately impacted people engaged in the industry. Due to data limitations, **we cannot assess the delivery exclusivity policy to the specificity required by the mandate.**

In the absence of a person-level variable, we can analyze the places – geographic communities – that were found to be disproportionately impacted. We can assign a geographic variable to business address data to examine licensees operating businesses that are located in disproportionately impacted areas (DIAs).³³ This creates a framework for measuring participation using available data. Additionally, we can analyze data about cannabis delivery businesses, which are required to be owned by people with this formal status. Our analysis of participation of the disproportionately impacted, therefore, centers on these two characteristics. To test whether disproportionately impacted areas are fully participating in the regulated cannabis industry, UMDI operationalized the following **criteria**: business participation rates in disproportionately impacted areas, and delivery business participation in several ways: engagement in the licensing process; average days to licensing; proportion of applicants reaching ‘commence operations’ stage; and distribution of grants from the social equity trust fund.

Business Participation Rates (in DIAs)

In this first criteria, we assess business representation in disproportionately impacted areas. Using the CCC’s establishment dataset, we compare the proportion of licenses located within DIAs out of all licenses to the proportion of similar business types (using either the retail sector or the transportation & logistics sector as comparisons) located in DIAs.³⁴ This creates a ratio where values of 1.0 or greater imply that the concentration of marijuana licenses in DIAs is at least equal to or greater than the concentration of comparison establishments (either all retailers in **Figure 1** or all transportation & logistics businesses in **Figure 2**) in DIAs. Ratio values of less than 1.0 imply that marijuana licenses are less concentrated in DIAs than would be expected. The following equations illustrate this measure:

$$\frac{\text{Delivery Licenses located in DIAs}}{\text{All Delivery Licenses}} = \% \text{ of Delivery Licenses in DIAs}$$

$$\frac{\text{Comparison Sector Establishments in DIAs}}{\text{All Comparison Sectors Establishments}} = \% \text{ of Comparison Sector in DIAs}$$

$$\frac{\% \text{ of Delivery Licenses in DIAs}}{\% \text{ of Comparison Sector in DIAs}} = \text{Participation Rate}$$

³³ Disproportionately Impacted Areas (DIAs) are defined by UMass Donahue Institute’s March 2021 report: *Identifying Disproportionately Impacted Areas by Drug Prohibition in Massachusetts*, with the addition of the City of Lawrence. This represents a hybrid approach when combined with the list of DIAs on the CCC website: <https://masscannabiscontrol.com/equity/dia/>.

³⁴ The retail and transportation & logistics sectors were chosen as they most closely represent the functions of marijuana delivery companies.

The data show that marijuana couriers and delivery operators are geographically well represented and more likely to be in disproportionately impacted areas relative to the proportion of businesses in similar sectors³⁵ located in the region. **This would indicate that the policy goals of participation are met or exceeded by delivery businesses present in areas of disproportionate impact.**

Figure 1 and **Figure 2** display these participation rates by region and statewide for courier and delivery operator license types as well as for comparison license types. For instance, **Figure 1** displays participation rates for couriers, delivery operators, and marijuana retailers *benchmarked to the overall retail sector*. **Figure 2** displays similar rates but uses marijuana transporters as a comparison within the cannabis industry and therefore *benchmarks to the overall transportation & logistics sector instead*.

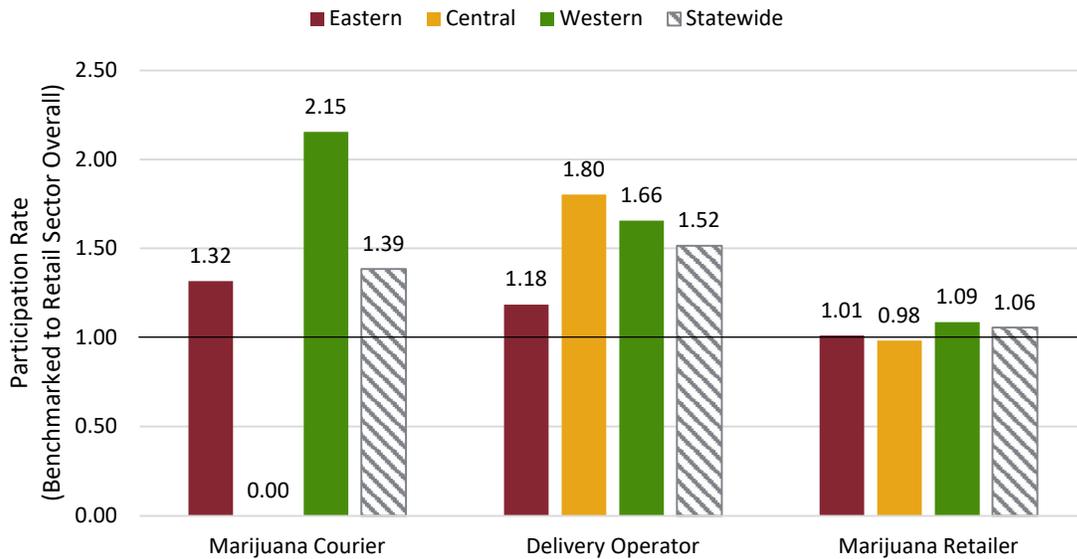
For all license types and regions, besides marijuana couriers in Central Massachusetts (of which there were no operating licensees in the region), all delivery groups were meeting or exceeding the benchmark in terms of expected participation of businesses in DIAs. Cannabis delivery businesses are more concentrated in areas of disproportionate impact than we would expect given the geographical distribution of all retail and transportation and logistics businesses in Massachusetts. Notably, with the exception of marijuana couriers in Central Massachusetts, delivery licensees are participating in areas of disproportionate impact at higher rates than marijuana retailers when compared to the retail sector overall (**Figure 1**).

Whereas delivery licenses are typically more concentrated in DIAs (with participation rates greater than 1.0), marijuana retailers are about as equally concentrated in areas of disproportionate impact as the retail sector overall (with participation rates roughly equal to 1.0 in all regions). **This also represents a potential positive effect of the delivery exclusivity policy: license types enabled by the policy are more likely to be in areas of disproportionate impact compared to other cannabis license types.**

Delivery license types, however, appear as equally concentrated in DIAs as to marijuana transporters (**Figure 2**). Though there is regional variation, couriers, delivery operators, and marijuana transporters all appear to have relatively comparable participation rates in DIAs statewide (1.23, 1.35, and 1.29 respectively). This would indicate that, when compared to the transportation & logistics sector overall, delivery licenses are similarly likely to be in areas of disproportionate impact compared to other license types, though more likely than transportation & logistics establishments overall.

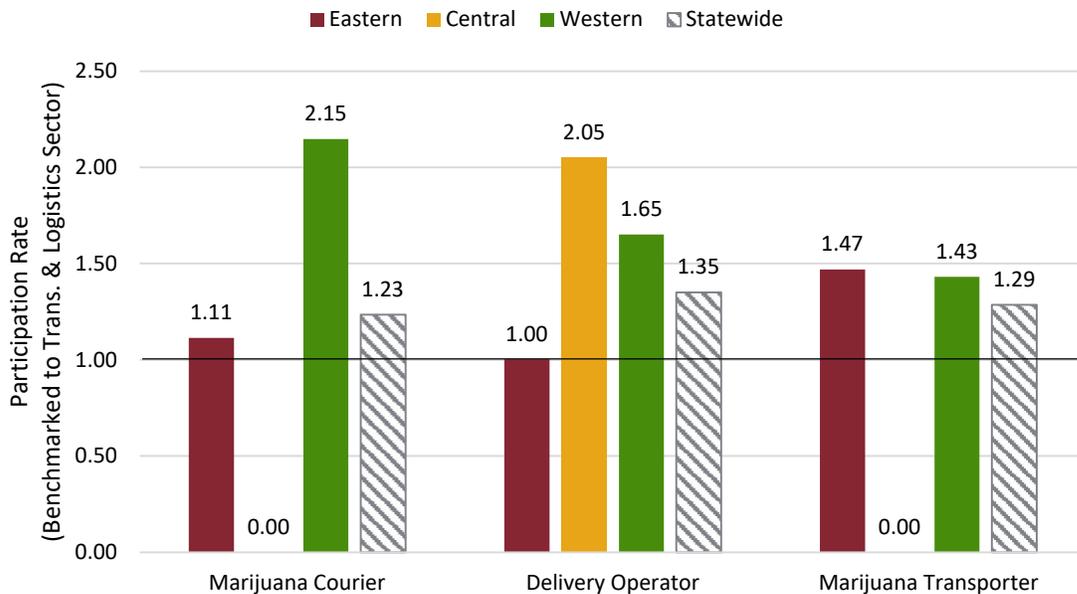
³⁵ Similar comparison sectors include retail businesses and transportation & logistics businesses.

Figure 1: Rates of Participation for Disproportionately Impacted Areas, Benchmarked to the Retail Sector Overall



Source: Massachusetts Cannabis Control Commission; Massachusetts Executive Office of Labor and Workforce Development, ES-202

Figure 2: Rates of Participation for Disproportionately Impacted Areas, Benchmarked to the Transportation and Logistics Sector Overall



Source: Massachusetts Cannabis Control Commission; Massachusetts Executive Office of Labor and Workforce Development, ES-202. Note: Marijuana Transporter in this chart is the sum of the following two license types: Marijuana Transporter With Other Existing ME License and Third-Party Marijuana Transporter.

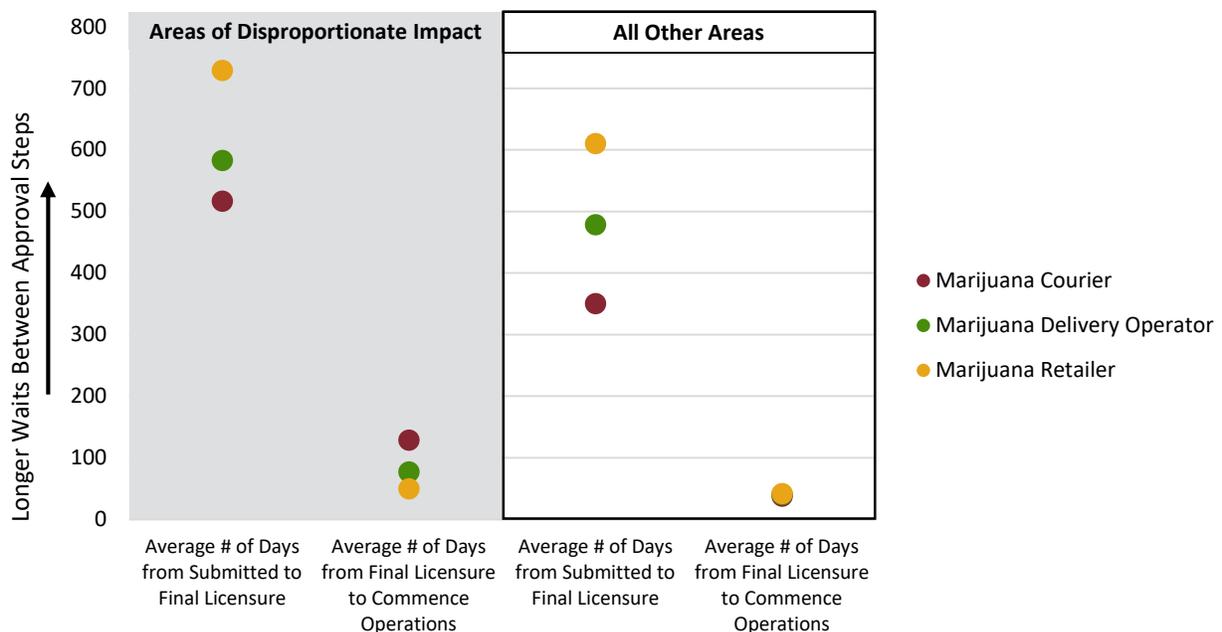
Some geographies appear to have more successful participation of marijuana delivery businesses in DIAs. Western Massachusetts, for instance, has the highest participation rate for

couriers compared to other regions; with a participation rate of 2.15, couriers in Western Massachusetts are more than twice as likely to be in DIAs as compared to all retailers or transportation establishments in the region. Comparatively, couriers in Central Massachusetts have a participation rate of 0.0 because there are no active couriers in Central Massachusetts that are located in a DIA. Eastern Massachusetts in general appears to have lower DIA participation among delivery licenses as compared to other regions, though marijuana delivery licenses are still more likely to be located in DIAs compared to the retail or transportation & logistics sectors.

Time Frame for Licensing (in DIAs)

A protracted licensing process can be a challenge for applicants seeking to enter the cannabis industry. The longer the time frame, the longer it takes to establish a revenue stream. In this assessment we use the license and applications dataset to compare the time frame required for final licensure and commence operations status, comparing delivery licensees to cannabis retail businesses.

Figure 3: Average Number of Days Between Approval Steps by License Types for Areas of Disproportionate Impact



Note: Couriers, Delivery Operators, and Retailers all had similar average wait times from approval to commence ops in areas outside of DIAs, and so the dots in the lower right overlap.

Across business types (for both retailers and delivery licensees), the process of reaching final licensure and opening for operations has taken longer on average in areas of disproportionate impact (160 days longer for couriers and 104 days longer for delivery operators to achieve final licensure). **This represents a challenge to the goals of the delivery exclusivity policy which aim to support businesses in DIAs**; delivery businesses in DIAs take longer to receive final licensure and to commence operations (lefthand side of **Figure 3**) and thus face a disadvantage compared

to delivery businesses elsewhere in the state (righthand side of **Figure 3**). The longer a business remains in the application phase, the longer it takes to generate revenues. This can impact participation specifically in DIAs by discouraging new business formation in these areas. This pattern is true for marijuana retailers as well: retailers in DIAs take longer through the approval process compared to retailers outside of DIAs.

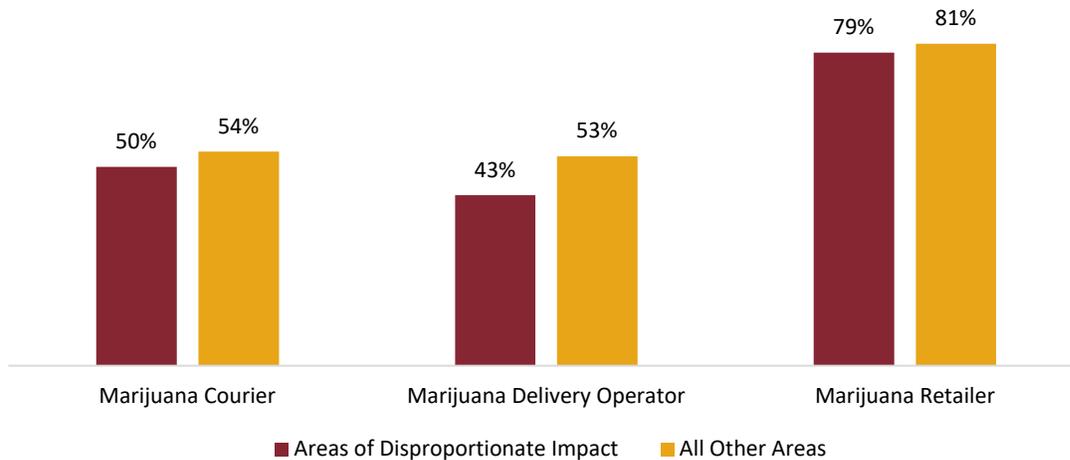
However, delivery businesses in all areas of the state seem to take less time to be awarded final licensure compared to comparably located retailers. This may indicate that brick-and-mortar establishments have more regulatory requirements or other hurdles compared to delivery businesses and thus take longer to work through the approval process. Once awarded final licensure, however, marijuana retailers appear to be able to commence operations more quickly than delivery licensees in DIAs. The difference in time to reach commence operations outside of DIA seems to be negligible across license types.³⁶

Proportion of Applicants Reaching ‘Commence Operations’ Stage (in DIAs)

Not only do cannabis businesses in DIAs take longer to commence operations, but a smaller proportion of DIA licensees reach the commence operations stage overall compared to licensees outside of DIAs (**Figure 4**). This is especially true for delivery operators: only 43 percent of approved delivery operator licenses in DIAs are in the commence operations stage, compared to 53 percent of delivery operators outside of DIAs. The differences are smaller for couriers (50% vs 54%) and for retailers (79% vs 81%). **This finding presents a challenge for the DE policy goal of full participation, especially for delivery operators. The delivery exclusivity policy does not seem to have fully succeeded in leveling participation for businesses geographically located in DIAs.** If a business cannot commence operations, it cannot generate revenue. In addition, delivery licensees are less likely to have commenced operations as compared to retailers, meaning more delivery licensees remain in the pre-revenue stages of business formation.

³⁶ Beyond regulatory requirements, differences in the timing of the approval process can also be attributed to the unique circumstances of individual applicants, e.g., access to capital, sophistication/experience of the applicant, employment of counsel/consultants, etc. For a discussion of factors impacting disproportionately impacted licensees see the section of this report entitled “Delivery exclusivity’s impacts on SEP participant businesses,” on page 27.

Figure 4: Areas of Disproportionate Impact: Commence Operations Licenses as a Percent of all Approved Licenses



Cannabis Social Equity Trust Fund (in DIAs)

The Cannabis Social Equity Trust Fund (CSETF) supports the growth of new cannabis businesses by providing funding at various stages, from pre-licensure through commence operations. Businesses can use these grants for operational, training, and capital needs. In this criteria, we assess CSETF funding awarded to applicants and licensees in DIAs relative to other areas.

For delivery-type licensees, CSETF awards were as likely to be disbursed to businesses in DIAs as would be expected given the proportion of licensees located in DIAs. **This is a sign that the CSETF supports the delivery exclusivity policy in meeting its goals: the CSETF is proportionally more likely to fund delivery businesses in DIAs compared to other areas.** Delivery businesses are connecting with an important source of financing available to them in the face of federal prohibition of banking for marijuana businesses. This successful pattern for delivery businesses does not seem to have carried over for comparative license types: marijuana retailers located in DIAs are no more likely to receive a CSETF grant than marijuana retailers located outside of DIAs.

PARTICIPATION OF PEOPLE OF COLOR

*Goal B seeks to measure **full participation and representation of people of color (PoC) in the cannabis industry.***

Headline: Our analysis shows that this goal has been partially met, though people of color still face barriers when opening non-delivery businesses:

- **Partially met: There is higher participation in the cannabis industry among people of color for delivery license types compared to all other license types and compared to business ownership rates for people of color in the state overall (Table 6).**
- **Partially met: Delivery businesses that are majority owned by people of color spend less time in the approval process and can therefore reach commence operations quicker (Figure 5).**

- **Partially met: Majority PoC-owned delivery licensees are more likely to be in the commence operations stage as compared to all other delivery licensees (Figure 6).**
- **Not met: The benefits of the delivery exclusivity policy, however, are not fully shared outside of the delivery license types, and people of color seem to still face barriers when opening businesses in the cannabis industry (Figure 6).**

In order to assess full participation and representation of people of color in the cannabis industry, UMDI used administration data from the CCC on self-reported race and ethnicity for both ‘agents’ (a generalized term referring to anyone in the cannabis industry, from employees to owners), and for ‘persons with authority’ (which includes owners, board members, and directors). When reporting their race and ethnicity, participants are allowed to specify a race group as a write-in option in addition to choosing from a preset list of groups. UMDI coded the self-specified race and ethnicity groups to get a more comprehensive categorization of agents and persons with authority. The CCC Delivery Exclusivity Working Group defines people of color *in the context of the cannabis industry* as either Black, Hispanic/Latino, or American Indian and Alaska Native.³⁷ Through prior research, the CCC has determined these as the primary race and ethnicity groups that were disproportionately harmed by the war on drugs. We use this definition for people of color moving forward in our analysis.

Representation of People of Color

Delivery exclusivity licenses are more likely to be majority owned by people of color, as compared to almost all other license types (**Table 6**). Fifty eight percent of couriers and 53 percent of delivery operators are majority-owned by people of color, compared to 25 percent of all cannabis industry licenses. In addition, agents who work with delivery licensees are also more likely to be people of color: 49 percent of agents associated with couriers and 66 percent of agents associated with delivery operators are people of color, compared to 20 percent out of all cannabis industry agents. **This is a sign of success for the goals of delivery exclusivity which sought to encourage the participation of disproportionately impacted people, many of whom are people of color:** there is higher participation in the cannabis industry among people of color for delivery license types compared both to all other license types and compared to PoC business ownership rates in the state overall.

³⁷ For more information on this technical definition see Appendix C: Delivery Exclusivity Working Group Definition of People of Color.

Table 6: Participation of People of Color in the Cannabis Industry by License Type

License Type	Agents		All Persons with Authority		Owners		PoC-Majority Owned Licenses	
	PoC n	% PoC	PoC n	% PoC	PoC n	% PoC	PoC n	% PoC
Craft Marijuana Cooperative	0	0%	1	7%	1	33%	1	50%
Independent Testing Laboratory	12	8%	5	10%	3	14%	1	8%
Marijuana Courier	53	49%	29	42%	13	41%	11	58%
Marijuana Courier Pre-Certification	-	-	174	60%	116	64%	62	68%
Marijuana Cultivator	440	13%	85	8%	48	12%	24	12%
Marijuana Delivery Operator	101	66%	39	40%	25	38%	18	53%
Marijuana Delivery Operator Pre-Certification	-	-	125	47%	81	49%	52	55%
Marijuana Microbusiness	14	13%	6	8%	2	5%	2	11%
Marijuana Product Manufacturer	465	16%	65	8%	33	11%	20	14%
Marijuana Research Facility	0	0%	0	0%	0	0%	0	0%
Marijuana Retailer	1,689	22%	191	11%	103	16%	41	13%
Marijuana Transporter with Other Existing ME License	35	60%	3	19%	1	13%	1	25%
Third Party Marijuana Transporter	14	12%	3	19%	0	0%	0	0%
Total	2,823	20%	726	16%	426	23%	233	25%
Massachusetts Working Age Population (18+)	980,403	17%	980,403	17%	-	-	-	-
Massachusetts Establishments	-	-	-	-	119,842	16%	119,842	16%

Source: CCC; U.S. Census Bureau American Community Survey, 2024 1-Year Estimates via Social Explorer; U.S. Census Bureau, Non-Employer Statistics.

Note: Agents data based on approved applications only. Persons with Authority are based on "active" licenses, therefore totals may not match between agents and persons with authority. Agents data does not include pre-certification licenses.

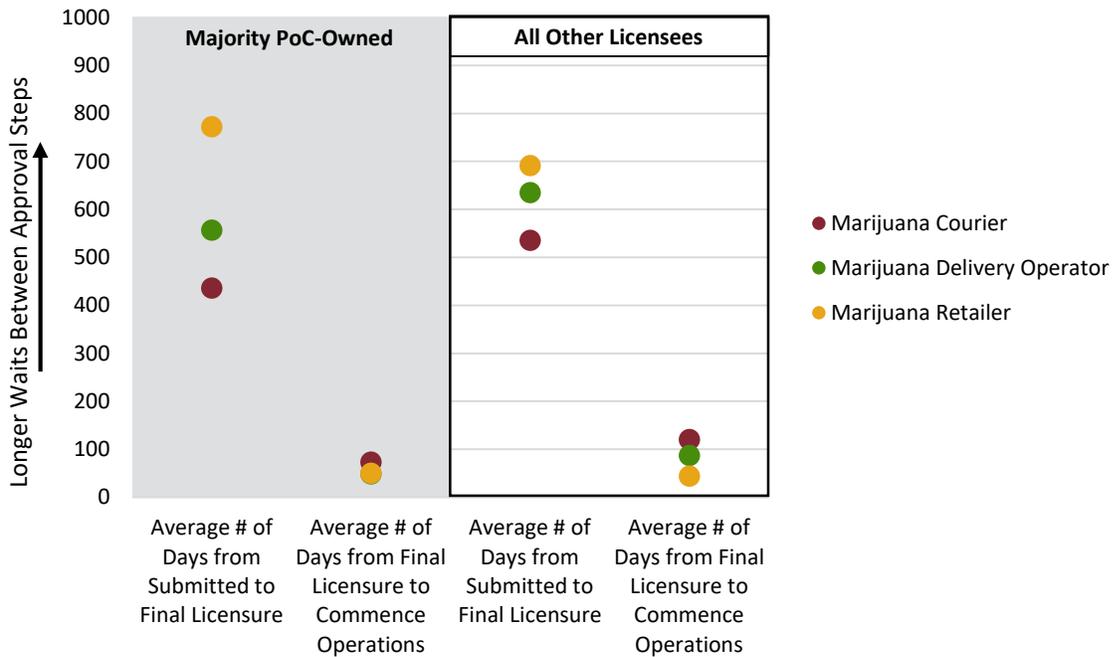
The cannabis industry overall – not just delivery businesses – appears to have a higher participation rate among people of color compared to the Massachusetts economy overall. Twenty percent of cannabis industry agents are people of color, while in comparison 17 percent of the Massachusetts working age population are people of color. Additionally, 25 percent of marijuana licenses are majority-owned by people of color, compared to ownership of 16 percent of all establishments in Massachusetts. Cannabis license holders, for both marijuana delivery and marijuana retail business, compare especially favorably against the Massachusetts retail sector overall, of which 9.3 percent of establishments are owned by people of color.

People of color are well-represented in the pipeline for delivery licenses, as well. Pre-certification couriers and delivery operators – the first phase of the process when applying for a delivery-type license – are more likely to be majority owned by people of color (68% of all pre-certification couriers and 55% of all pre-certification delivery operators) – though these numbers change slightly when pre-certifications are narrowed to only those that have not yet expired (77% people of color for couriers and 41% for delivery operators). This indicates either that the pipeline of delivery businesses is more likely to be diverse, or that majority-PoC owned businesses face additional barriers to reaching commence operations status and thus remain in the pre-certification stage for longer.

Time Frame for Licensing

Delivery licenses that are majority-owned by people of color have on average shorter waits between application submission to final licensure compared to all other delivery licensees. PoC-owned delivery licensees also have on average shorter spans of time between receiving final licensure and commencing operations. **This is a positive outcome for the goals of the delivery exclusivity policy which aims to boost participation in the cannabis industry among people of color. Delivery businesses that are majority owned by people of color spend less time in the approval process and can therefore reach commence operations quicker.**

Figure 5: People of Color: Average Number of Days between Approval Steps by License Type



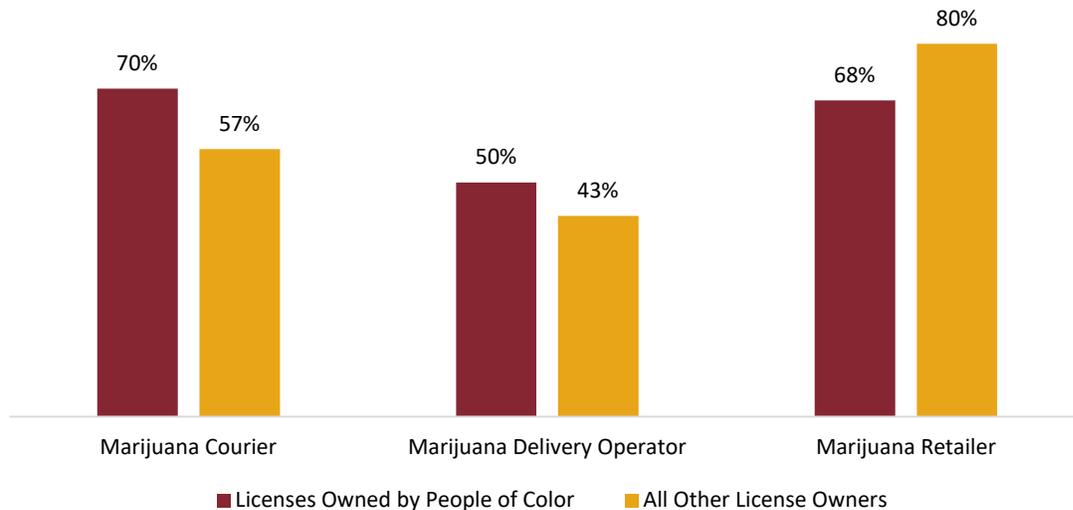
This positive trend of shorter approval wait times, however, is not true for retail businesses owned by people of color. Dispensaries owned by people of color tend to take longer to be approved for final licensure compared to all other dispensaries. This would indicate that the benefits of the delivery exclusivity policy, in this regard, are not extending outside of the delivery license types, and people of color seem to still face barriers when opening other types of businesses in the cannabis industry. Other license types are not accruing the benefits of the policy in ways that the delivery businesses are.

Proportion of Applicants Reaching ‘Commence Operations’ Stage

Majority PoC-owned delivery licenses are more likely to be in the commence operations stage as compared to all other delivery licenses. **This is a sign of success for the DE policy which sought to enhance participation for disproportionately impacted people. Alternately, success rates are lower for other license types owned by people of color. For instance, marijuana retailers (who are not targeted by the delivery exclusivity policy intervention) seem to have the**

opposite pattern, where retail businesses owned by people of color are less likely to be in commence operations compared to retail businesses not owned by people of color.

Figure 6: People of Color: Commence Operations Licenses as a Percent of all Approved Licenses



There seems to be less variability in the likelihood of reaching commence operations between license types for licenses owned by people of color; only twenty percentage points separate the least likely license type (50% for delivery operators) from the most likely license type to be in commence operations for licenses owned by people of color (70% for couriers). The spread is almost double that for licenses not owned by people of color: 43 percent likelihood for delivery operators versus 80 percent for marijuana retailers. **This is a sign of success as well for delivery exclusivity policy**: delivery licenses perform relatively better for people of color owners compared with licenses not owned by people of color.

Cannabis Social Equity Trust Fund

Due to confidentiality requirements in handling CCC data, we are not able to analyze the race or ethnicity of Social Equity Trust Fund awardees. UMDI recommends that the CCC work closely with the Massachusetts Executive Office of Economic Development (who administers the CSETF) to better understand what proportion of CSETF grants are awarded to PoC business owners.

LICENSES GRANTED TO MAJORITY OWNERSHIP EEP AND SEP

Goal C proposes the tracking of licensees who are participants of the Social Equity Program or the Economic Empowerment Program.

Headline: This goal is partially met, though incomplete administrative data clouds the full understanding of SEP and EEP participation in the cannabis industry. However, survey respondents across various delivery license types report difficult conditions in acquiring a license.

- **Partially met: There are proportionally fewer retailer licenses owned by EEP or SEP participants compared to couriers and delivery operators (Table 7).**
- **Not met: Nearly all respondents to the survey reported the process of getting a license to be difficult or extremely difficult, and reported facing barriers such as unaffordable start-up costs, followed by lack of financing options, and too much paperwork.**

Social Equity Program Participation

The Social Equity Program helps to support business owners and employees who have been disproportionately harmed by marijuana prohibition succeed in the cannabis industry by providing trainings, technical assistance, and networking. Participation in SEP and in the Economic Empowerment Program (EEP) may help to encourage prospective delivery licensees to join the market.

A review of CCC administrative data reveals that, as should be expected, all delivery operators with provisional or final licensure are either SEP or EEP participants. However, the data seems to show that only 76 percent of provisional or final license couriers have an SEP or EEP number; considering business owners need to be SEP or EEP participants to own a courier license (and we would therefore expect 100% of courier licenses to be SEP or EEP), this would indicate the data is incomplete to some degree. Only 15 percent of active marijuana retailers list an SEP or EEP number in the administrative data. This could be an undercount, as well, considering the percentage of incomplete data observed among courier licensees. In addition, non-delivery businesses may be SEP or EEP participants but may not feel it necessary to list their number when reporting to the CCC considering it is not required to be an SEP or EEP participant to own a retail license. This makes it difficult to interpret the SEP or EEP data as is. UMDI recommends better tracking of SEP and EEP participants in the industry. With a more comprehensive understanding of SEP and EEP participation in the cannabis industry (either as license owners or as employees), the CCC can better evaluate and quantify the benefits of these programs.

Table 7: Count of Provisional and Final Licenses by License Type for EEP and SEP Businesses

License Type	# of Provisional or Final Licenses for EEP or SEP Businesses	# of All Provisional or Final Licenses	% EEP or SEP
Marijuana Courier	19	25	76%
Marijuana Delivery Operator	40	40	100%
Marijuana Retailer	75	514	15%

Barriers to Acquiring Licensure

Nearly all respondents to the survey reported the process of getting a license to be difficult or extremely difficult and reported that during the licensing process they faced barriers such as unaffordable start-up costs, lack of financing options, and too much paperwork. The overwhelming majority of survey respondents reported facing barriers in opening their business

(94%), with primary barriers identified as lack of financing options, while unaffordable start-up costs, timeframe from licensure to starting up, difficulty finding a location, and high costs to secure a location were heavily reported. When asked about possible improvements that could make the application process more attainable, themes related to streamlining the application and removing unnecessary steps and onerous requirements were reported the most. Others suggested better cooperation with local governments/HCAs, better communications from the CCC, and a more affordable application process.

NUMBER OF REGISTERED AGENTS WHO ARE SEP PARTICIPANTS

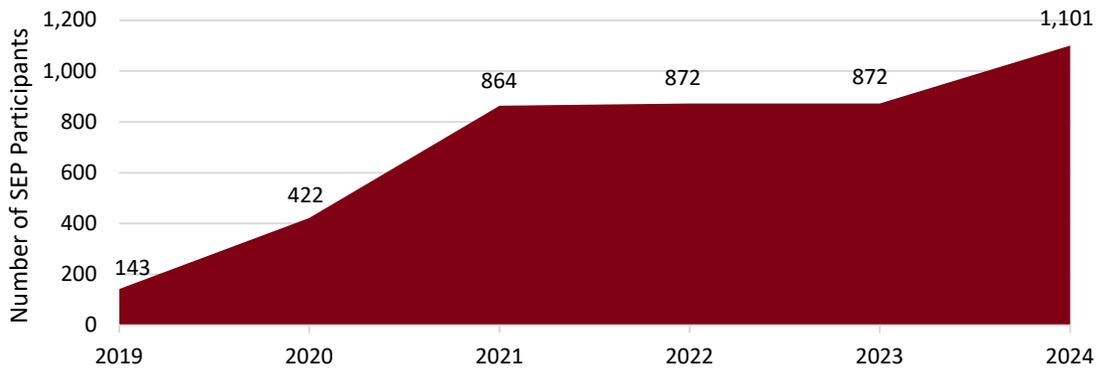
*Through Goal D, the CCC seeks a better understanding of **the number of industry participants who are a part of the Social Equity Program.***

Headline: The analysis indicates that this goal is partially met, though there are challenges due to incomplete administrative data.

- **Partially met: Except for a lull between 2021 and 2022, SEP participation has steadily increased since the program was introduced (Figure 7).**
- **Partially met: The majority of SEP participants are people of color (Table 8).**
 - **Not met: However, people of color have a slightly lower proportion of active SEP licenses compared to all other participants.**
- It is difficult to determine exactly how many SEP agents work for the various license types, however. There are a significant number of agent applications where the field for SEP participation is blank, i.e. neither yes or no. UMDI recommends that the CCC develops a dataset that can link the list of SEP participants with existing lists of registered agents.

The purpose of the Social Equity Program is to build capacity across disproportionately impacted people to participate in the cannabis industry by connecting participants with technical assistance, business owner networks, and educational and training materials through the CCC. Except for a lull between 2021 and 2022, SEP participation has steadily increased since the program was introduced (Figure 7). **This is a positive sign that the DE policy goals to increase participation in the Social Equity Program are being met. The incremental increase of SEP participants creates a larger pool of people eligible to seek delivery-related licenses.**

Figure 7: Cumulative Number of SEP Participants, 2019-2024



As stated above, the majority of SEP participants are people of color (Table 8). However, although their numbers in the SEP program are high, people of color have a slightly lower proportion of active licenses compared to all other participants (45% active for people of color versus 57% active for those who are not people of color). There are proportionally more applications by people of color which were either deleted before submission (i.e. the applicant has completely cancelled their application) or are currently incomplete (i.e. the applicant has instead only not yet completed the application).

Table 8: SEP Participants by Race and Ethnicity Categorization

	Active Applications	Deleted Applications	Incomplete Applications	Percent Active
People of Color	750	40	891	45%
Not People of Color	300	12	217	57%
Declined to Answer	51	1063	236	4%

Due to a high percentage of blank responses in the data, however, it is difficult to determine the distribution of SEP participants among the various marijuana license types. The administrative dataset from the CCC that provides detail on agents who are SEP participants includes a high percentage of incomplete data. For instance, in this dataset, 73 active and unique person identification numbers answered “yes” when asked if they are a Social Equity Program participant, a small percentage compared to the 11,433 active, unique agents who answered that they are not an SEP participant. However, the same dataset includes an additional 3,905 rows of active and unique person identification numbers who left the SEP participant field blank. Assuming that a portion of those blank submissions in fact are SEP participants (who for one reason or another did not list their SE number), this means that there is a constrained ability to estimate the number of SEP participants by license type. UMDI recommends that the CCC develops a dataset that can link the list of SEP participants with existing lists of registered agents.

Business Performance and Success for Delivery Exclusivity Licensees

Goal E from the Cannabis Control Commission regulations (935 CMR 500) is addressed in this section.

<p>Business Performance and Success</p>	<p>e. Number of Delivery Licensees in operation and business performance relative to other Marijuana Establishments</p>
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Analysis

Goal E of the exclusivity period aims to **count the number of delivery licenses in operation and to compare those to the business performance of other marijuana establishments.**

Headline: This goal has not been met. Macro-economic conditions in the cannabis market and in the wider economy have deteriorated in recent years and, in combination with geographic restrictions on marijuana business operations, have negatively impacted the business performance of delivery and brick-and-mortar dispensaries alike.

- **Not met: The rates of delivery business formation are much lower than for retail businesses, and couriers and delivery operators are much less saturated in the cannabis market across the state relative to brick-and-mortar dispensaries (Figure 8).**
- **Partially met: Sales growth has been positive for delivery operators over the past several years (Figure 9).**
- **Not met: Courier and retailers, however, have seen stagnant sales over the same time period (Figure 9).**
- **Not met: Business costs have increased over the past 5 years for retailers and transportation & logistics businesses across the United States, first during the recovery from the COVID-19 pandemic and currently due to inflation and higher tariffs on imports. These higher costs for materials, packaging, energy, and other types of goods are felt across sectors, including the cannabis industry. At the same time, marijuana product prices in Massachusetts have fallen since legalization (Figure 10), reducing profit margins and threatening business performance.**
- **Not met: Only 59 percent of towns and cities in the state allow delivery, limiting the markets in which delivery businesses can compete (Figure 11).**
- **Not met: Average sales per establishment have been in decline virtually since the beginning of the legal cannabis market (Table 10). This is true for retailers, which started operations in 2019, as well as delivery license types, which started operations later in 2021 and 2022. This is a challenge for the delivery exclusivity policy: businesses are on average reporting less revenue, threatening the financial sustainability of operations.**

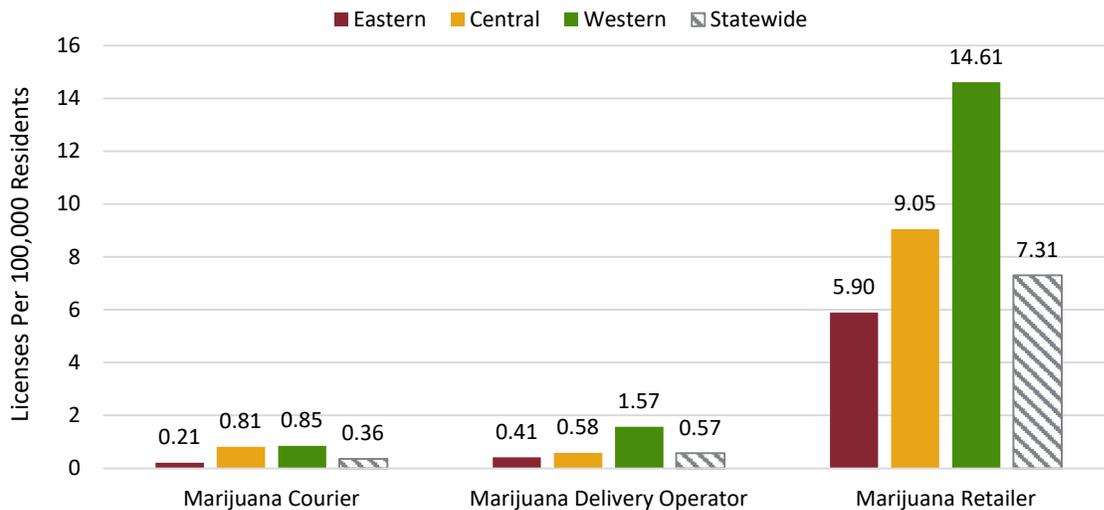
Macro-economic conditions in the cannabis market and in the wider economy have deteriorated in recent years and have negatively impacted the business performance of delivery and brick-

and-mortar marijuana businesses alike. In this section, UMDI seeks to better understand the position of businesses in the cannabis industry through available data. First, an analysis of license saturation per 100,000 residents aims to measure the reach and prospective client base of delivery businesses versus marijuana retailers. Second, sales data were analyzed to understand business revenue trends over time. Third, UMDI compared employment levels and trends for delivery businesses against marijuana retailers.

Marijuana License Saturation

Delivery licenses are a relatively small part of the cannabis industry: there are currently 13 courier licenses with commence operations approval and 19 delivery operator licenses operating in that approval stage. Combined, those represent roughly five percent of all commence operations licenses in the cannabis industry. In comparison, there are 412 marijuana retailer licenses in operation in Massachusetts, or 55 percent of all marijuana licenses. This is significant because retailers are the clearest comparison point and competitor for delivery operators especially. The saturation of retailers in the state could impact courier business performance as well; if consumers have plentiful options for patronizing dispensaries, the value of delivery from any one dispensary declines and it becomes more difficult for couriers to establish themselves as viable alternatives.

Figure 8: Count of Licensees by Region and License Type per 100,000 Residents



Source: CCC; U.S. Census Bureau Population Estimates Program.

In the **Representation and Participation** section which compares delivery licensees to the business community overall, disproportionately impacted people seem well represented in the cannabis industry. But compared to potential consumer bases in **Figure 8**, delivery businesses seem underrepresented compared to retailers.

Despite the purpose of the delivery exclusivity policy to enhance the ability of disproportionately impacted people to open delivery businesses, the rates of delivery business formations are much lower than for retail businesses. Considering the widespread

and intensive use of delivery services in other sectors such as restaurants or consumer goods, we would expect delivery licenses to be far more represented relative to retailers. Alternatively, fewer delivery businesses per 100,000 residents could translate to higher sales per establishment as consumers divide their spending between fewer businesses. Sales data seems to indicate some evidence for these benefits especially for delivery operators. Deflation in marijuana prices and inflation in business costs, however, have eroded the business conditions in the cannabis industry for all business types.

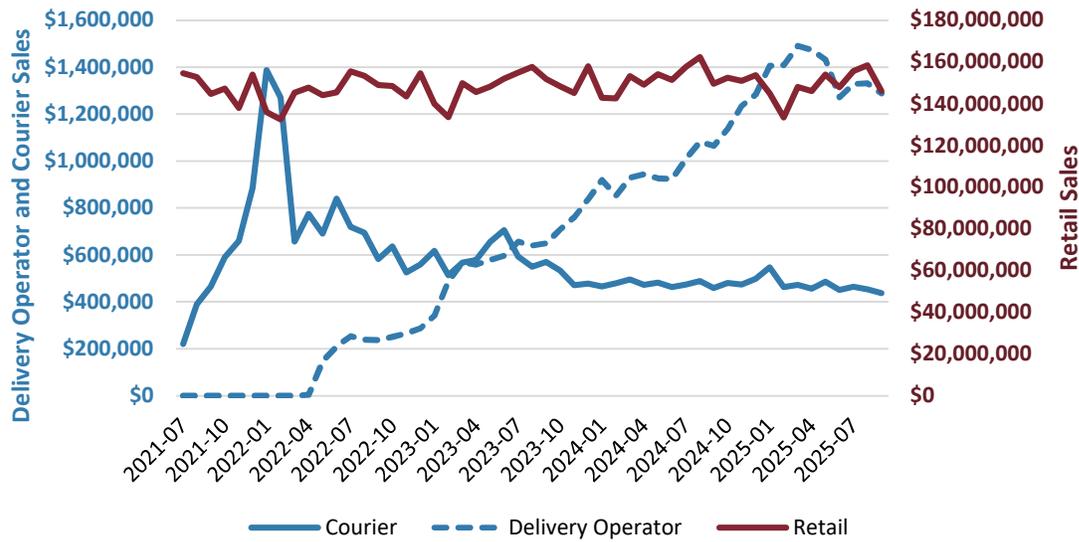
Sales Trends in the Cannabis Industry

The benefits of the delivery exclusivity policy seem to have accrued especially well for delivery operators, who appear to be the only direct-to-consumer seller type that has increased sales over the past several years. Sales made by couriers, on the other hand, have seen no growth at all over the past almost two years, **a troubling sign for the delivery exclusivity policy**.³⁸ This could indicate that the delivery operator model, where the business wholesale purchases cannabis products to store in a warehouse and deliver directly to consumers, is more successful than the marijuana courier model, where the business must partner with retailers to deliver cannabis products to consumers from the dispensary. Ultimately, the delivery market appears underutilized, and sales could be artificially depressed as a result.

Delivery operators and couriers have had divergent sales trajectories, with operators' sales increasing since late 2022 through mid-2025. Courier sales, however, slid from a high in the beginning of 2022, and have stagnated at a low level since late 2023 (**Figure 9**). Retail sales have seen little movement throughout the entire period as well. However, the retail market is significantly larger than the delivery market. Delivery sales of operators, couriers, and microbusinesses with delivery endorsement combined peaked in March 2025 at \$1.964 million, or just 1.3 percent of the \$148 million of retail sales from that month. Taking total sales in nominal dollar value since the start of the legal cannabis market, 99.3 percent of all marijuana sales have taken place in a dispensary, and only 0.7 percent of sales have been made through delivery.

³⁸ It is important to note that the CCC dataset indicates if a sale utilized a courier for delivery, but does not indicate the revenues made by the courier for that sale. The dollar amount listed for courier deliveries indicates the dispensary's sales price, i.e. the revenue accrued by the retailer. Couriers make revenue from fees and tips on the delivery, but this is not reported in the CCC dataset. If tracking of courier revenues is desired, the addition of a different field for data collection would be required.

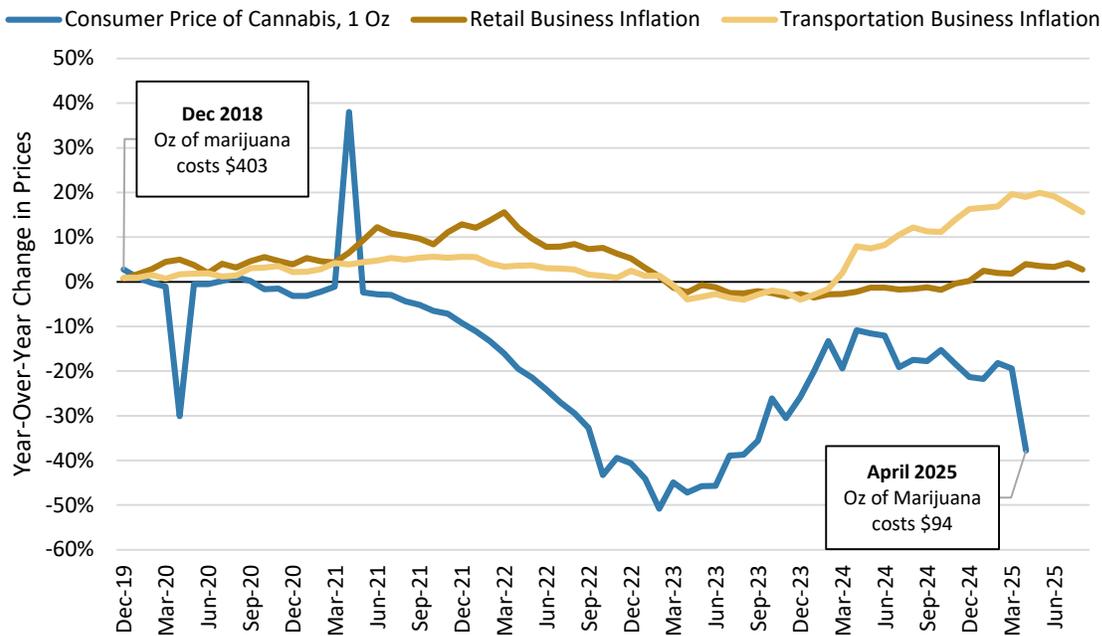
Figure 9: Monthly Sales by License Type (Not Adjusted for Inflation)



Note: Delivery endorsement sales were not included in this graph. The very small portion of delivery endorsement sales in the industry does not fit with the scales in this figure.

Considering that the dollar value of sales in this analysis are nominal (i.e., not adjusted for inflation), these figures underestimate the challenges facing the revenue streams of direct-to-consumer marijuana businesses. If courier and retail sales have been nominally stagnant over the past several years, this means that businesses’ revenues have not kept up with increasingly expensive materials, labor, health insurance, and other costs facing businesses. U.S. business costs have increased over the past five years for retail sector and transportation & logistics sector businesses, first during the recovery from the COVID-19 pandemic and currently due to inflation and higher tariffs on imports. These higher costs for materials, packaging, energy, and other types of goods are felt across the economy, including the cannabis industry. At the same time, marijuana product prices in Massachusetts have fallen since legalization (**Figure 10**), reducing profit margins and threatening business performance. Lower sales prices may discourage potential new business owners from entering the market, especially faced with high costs of doing business. **These macro-economic conditions have created a difficult situation especially for small businesses in the cannabis industry, among them delivery licensees; these groups are more exposed to the challenges of lower sales prices and higher business costs compared to larger, multistate operators.**

Figure 10: Year-over-Year Change in Prices for Marijuana Vs. Producer Inflation in U.S. Retail Sector and Transportation Sector Establishments, 2019-2025



Source Cannabis Control Commission; U.S. Bureau of Labor Statistics, Producer Price Index

Utilization of Delivery Services

Since delivery services have been introduced, sales volumes—the number of transactions as opposed to the dollar value of transactions—have increased, a sign that utilization is increasing as the legal marijuana market has matured. Both retailers and delivery operators have seen consistently increasing sales volumes over the past three years. Couriers have seen less pronounced growth, with transactions plateauing since mid-2023, but have avoided sales volume decreases. But the decreasing price of marijuana in the legal market has effectively erased any revenue growth for direct-to-consumer marijuana businesses except for delivery operators. Delivery and brick-and-mortar would have seen much higher revenue growth if the price of marijuana was stable.

Although there is no readily available source of data to allow comparisons across U.S. states, Massachusetts businesses appear to be utilizing delivery services at a lower rate compared to national findings. A 2022 national survey of dispensaries found that 61 percent of respondents offered delivery services and another 16 percent planned to offer delivery by 2023, for a potential total of 77 percent of dispensaries offering delivery.³⁹ Estimates from a recent

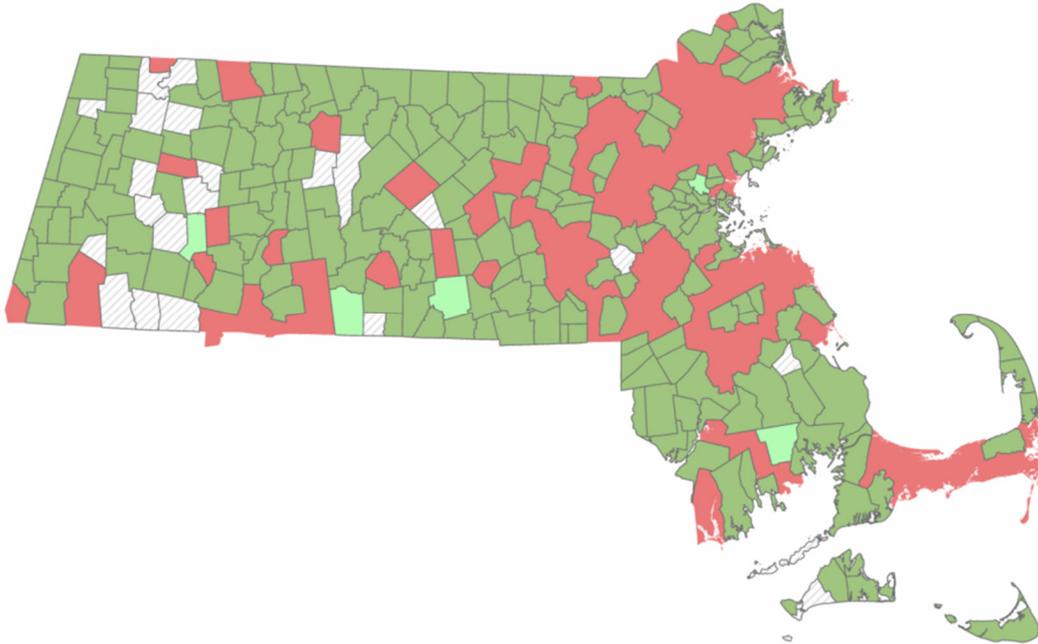
³⁹ Cannabis Business Times, *SKUs, Online Orders and Delivery*. September 2, 2022. <https://www.cannabisbusinesstimes.com/business-issues-benchmarks/cannabis-delivery/article/15689275/skus-online-orders-and-delivery>

academic study found lower levels of usage: 13.4 percent of brick-and-mortar retailers⁴⁰ across a U.S. sample advertised delivery services. Massachusetts data show a similar level of use, with CCC sales data showing that 9.4 percent of retailers have utilized courier services (28 retail licensees have delivered with couriers out of 297 retailers total that are present in the sales dataset). At the same time, delivery services, and couriers in particular, are generally underutilized in the industry. In Massachusetts there are forty retail businesses for every one courier license holder. However, with 13 courier licenses currently in operation, and 28 retail licensees having utilized a courier to deliver, that would imply that the average courier business has agreements with only roughly 2 retailers. Therefore, there are unrealized opportunities for couriers to partner with greater numbers of retailers and expand their delivery capacities.

Delivery may also be underutilized in Massachusetts due to artificial restrictions on the geographic range of these services; **only 59 percent of towns and cities in the state allow delivery, limiting the markets in which delivery businesses can compete.** Put another way, roughly 68 percent of Massachusetts's population lives in towns or cities that allow delivery. Municipalities are statutorily allowed to opt-out of both marijuana delivery and retail, and in fact, a slightly smaller percentage (56% of towns and cities, representing 67% of the Massachusetts population) allow brick-and-mortar dispensaries (**Figure 11**). Despite this, delivery may be at a disadvantage in parts of the state where both are permitted. For instance, delivery and retail are both allowed in the urban core of Greater Boston but not allowed in the more sparsely populated ring of suburbs around Interstate 495. But due to the saturation of dispensaries in urban markets in the state, these consumers may more readily choose to buy from brick-and-mortar retailers if they view them as quicker or more convenient than delivery. Delivery could have a competitive advantage in more suburban or rural areas where consumers would need to travel farther to reach a dispensary, but only if delivery were allowed in these locations. In fact, this may be a contributing reason why participation and business formation of delivery licenses is at times higher in Western Massachusetts: many of the rural areas of Western Massachusetts allow delivery, and so the geographic market is larger than in the Eastern half of the state, even if the raw number of potential consumers is smaller. Increasing the list of communities that couriers or operators can deliver to could improve business performance for these license types.

⁴⁰ Berg, Carla, et. al, Cannabis retailer marketing strategies and regulatory compliance: A surveillance study of retailers in 5 US cities. *Addict Behavior*. March 17, 2023. <https://pmc.ncbi.nlm.nih.gov/articles/PMC10674052/>

Figure 11: Municipal Permitting for Adult-Use Marijuana Delivery in Massachusetts



Source: Cannabis Control Commission. Municipal Zoning Tracker. <https://masscannabiscontrol.com/municipal-zoning-tracker/>; UMDI map using MassGIS.

Note: Green indicates delivery is permitted; light green indicates 'In process'; red indicates delivery not permitted; grey slashes indicate no response.

Employment Trends in Marijuana Businesses

Disregarding partial year data for 2025 (data for which was only available through the end of August), couriers and retailers appear to be stable in size, in terms of the total number of people involved in those operations whether they be employees, owners, board members, or volunteers, though partial year data for 2025 would indicate a slight dip. Delivery operators, in contrast, appear to be shrinking in size from 2022 to 2024. This is all against the backdrop of a Massachusetts job market that has grown only a small amount over the past few years, with both employment and the number of businesses being slightly lower in 2025 than the 2023 annual averages (**Table 9**).

Marijuana couriers, delivery operators, and retailers all appear to be larger on average in size (based on average agents per establishment) than the average business size in the state overall. However, this is a difficult comparison to make, as agents include other persons affiliated with a marijuana business such as owners and board members. As such, UMDI recommends the CCC develop an agent code purely for employees of a marijuana establishment. This will allow for more direct comparisons to other industries in the state as well as making it easier to estimate the economic contributions to the Massachusetts economy of marijuana businesses.

Table 9: Annual Employment and Establishment Growth by License Type, 2018-2025

License Type	Total Agents/Employees									
	2018	2019	2020	2021	2022	2023	2024	% Growth, 2023-2024	2025 YTD	2025 as % of 2024
Marijuana Courier	15	15	15	138	328	296	246	-17%	167	68%
Marijuana Delivery Operator	25	25	25	26	167	229	327	43%	237	72%
Marijuana Retailer	621	1,906	3,434	6,305	9,913	12,185	15,141	24%	11,007	73%
Massachusetts Overall (in 1000s)	3,588	3,632	3,327	3,459	3,595	3,635	3,645	0.3%	3,567	98%
License Type	Total Establishments									
	2018	2019	2020	2021	2022	2023	2024	% Growth, 2023-2024	2025 YTD	2025 as % of 2024
Marijuana Courier	0	0	0	6	9	10	10	0.0%	13	130%
Marijuana Delivery Operator	0	0	0	0	4	10	18	80%	19	106%
Marijuana Retailer	5	32	95	188	258	331	382	15%	412	108%
Massachusetts Overall (in 1000s)	256	260	262	277	290	290	284	-2%	290	102%
License Type	Average Agents per Establishment									
	2018	2019	2020	2021	2022	2023	2024	% Growth, 2023-2024	2025 YTD	2025 as % of 2024
Marijuana Courier				23	36	30	25	-17%	13	52%
Marijuana Delivery Operator					42	23	18	-21%	12	69%
Marijuana Retailer	124	60	36	34	38	37	40	8%	27	67%
Massachusetts Overall	14	14	13	12	12	13	13	2%	12	96%

Source: CCC; Massachusetts Executive Office of Labor and Workforce Development, ES-202.

Note: 2018 data is for April through December, and 2025 data is for January through August.

Based on the growth in the number of establishments by license types, the delivery segment of the cannabis industry appears to be lagging. The number of courier licenses grew at an annualized rate of 19 percent during first three years that the courier license was available. Delivery operators grew at a 68 percent annualized rate. In comparison, the number of retailer licenses grew by 235 percent annually for its first three years, and the industry overall grew at a 212 percent annualized rate.

Average sales per establishment have been in decline virtually since the beginning of the legal cannabis market (**Table 10**). This is true for retailers, which started operations in 2019, as well as delivery license types, which started operations later in 2021 and 2022. **This is a challenge for the delivery exclusivity policy: businesses are on average reporting less revenue, threatening the financial sustainability of operations.** This could also be an indication that there are now more small businesses in the mix, compared to relatively fewer but larger businesses who entered the market immediately.

Table 10: Average Annual Sales Per Establishment by License Type

License Type	Sales (in 1,000s)							
	2018	2019	2020	2021	2022	2023	2024	2025*
Marijuana Retailer	\$16,460	\$553,391	\$972,573	\$1,644,033	\$1,755,236	\$1,784,789	\$1,819,747	\$1,462,391
Marijuana Delivery Operator	\$0	\$0	\$0	\$0	\$1,898	\$7,390	\$12,312	\$13,565
Marijuana Courier	\$0	\$466	\$1,322	\$3,805	\$9,336	\$6,829	\$5,726	\$4,627
License Type	Establishments							
	2018	2019	2020	2021	2022	2023	2024	2025
Marijuana Retailer	5	32	95	188	258	331	382	412
Marijuana Delivery Operator	0	0	0	0	4	10	18	19
Marijuana Courier	0	0	0	6	9	10	10	13
License Type	Sales (in 1,000s) Per Establishment							
	2018*	2019	2020	2021	2022	2023	2024	2025 YTD
Marijuana Retailer	\$3,292	\$17,293	\$10,238	\$8,745	\$6,803	\$5,392	\$4,764	\$3,549
Year-Over-Year % Change			-41%	-15%	-22%	-21%	-12%	
Marijuana Delivery Operator					\$475	\$739	\$684	\$714
Year-Over-Year % Change						56%	-7%	
Marijuana Courier				\$634	\$1,037	\$683	\$573	\$356
Year-Over-Year % Change					64%	-34%	-16%	

Note: 2018 data is for April through December, and 2025 data is for January through August.

Business Feasibility and Sustainability

Goal F from the Cannabis Control Commission regulations (935 CMR 500) is addressed in this section.

<p>Business Feasibility and Sustainability</p>	<p>f. Financial feasibility of continued participation in the regulated Marijuana industry by communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law if exclusivity period ends</p>
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Financial feasibility is a closely related concept to business performance; both attempt to measure the conditions of the broader market and the experience of the average business in the cannabis industry. In this section, quantitative analysis for feasibility is primarily concerned with the application pipeline as well as the distribution of Social Equity Trust Fund awards, and the survey analysis focuses on costs, current business conditions, and future plans.

Analysis

Goal F of the exclusivity period aims to **understand the financial feasibility of continued participation in the marijuana industry for communities disproportionately harmed by the war on drugs.**

Headline: Despite some progress on lowering costs through fee waivers, this goal has not been met, as delivery exclusivity businesses report difficult financial conditions and unexpectedly high start-up costs. In addition, data show a shrinking pipeline of applicants and a lack of necessary funding for new businesses.

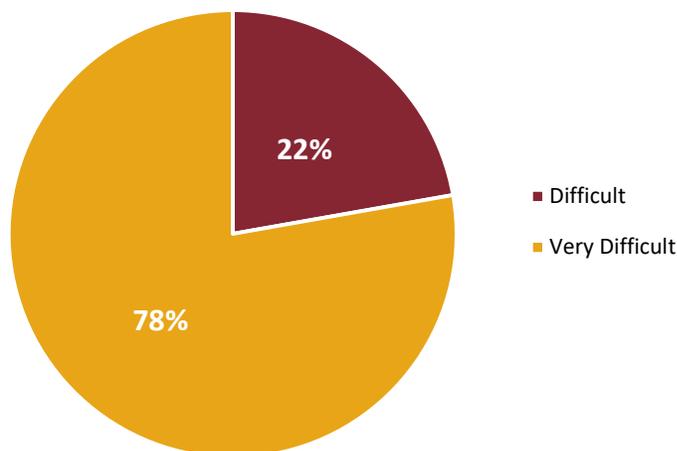
- **Not met: All respondents characterized start-up cost feasibility as difficult to some extent, with the majority characterizing these as very difficult (Figure 12).**
- **Not met: There is a shrinking pipeline of prospective licensees, whether delivery or brick-and-mortar, who are interested in opening businesses in the cannabis industry (Figure 13).**
- **Partially met: There are proportionally fewer inactive courier and delivery operator applications than there are inactive retailer applications (Table 12).**
- **Partially met: Licensing fees for delivery businesses are waived, representing significant savings for couriers and delivery operators as average licensing fees for other license types can approach \$10,000 (Table 13).**
- **Not met: Awards for prospective businesses from the Cannabis Social Equity Trust Fund, which may have financial needs in the pre-licensure phase, seem more difficult to acquire, which can be a challenge for some businesses that are exploring delivery functions (Table 14).**
 - UMDI recommends that EOED add fields to the CSETF data so CSETF grants can be matched with the specific business function that the establishment intends to use the award for, which will allow them to better understand how businesses are using this financial support, and if that usage differs by license type.

- **Not met: Most respondents feel either neutral (39%) or very negative (33%) about their current business conditions, and the majority of respondents (67%) anticipate barriers to fulfilling their business plans in the next year, primarily citing barriers related to the delivery exclusivity period ending (Table 15).**

Start-Up Cost Feasibility

Only survey respondents who are currently in operation received questions about start-up costs. **All respondents characterized start-up cost feasibility as difficult, with the majority characterizing these as very difficult (78%) (Figure 12).** Most of these respondents reported unexpected start-up costs (83%), which in general, largely included unanticipated expenses required before securing a license or commencing operations and expenses which unexpectedly cost significantly more due to the licensing process (i.e. covering legal costs for the drawn-out application process). **Table 11** ranks the most common unexpected costs in more detail.

Figure 12: To What Degree were Business Start-Up Costs Feasible for your Individual Financial Situation



Source: UMDI Survey of Cannabis Businesses

Table 11: What Were the Costs to Starting your Business That You Did Not Expect?

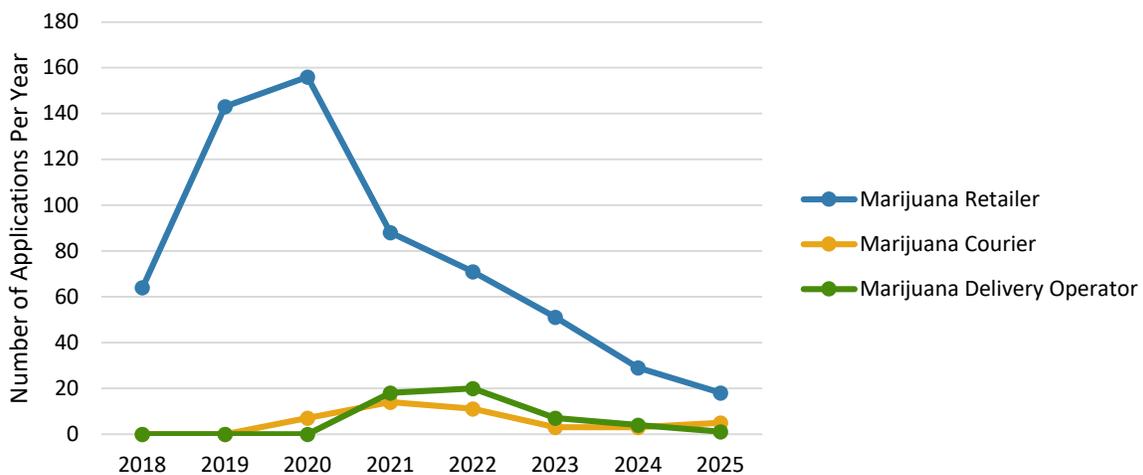
Unexpected Costs	Courier Only	Delivery Operator only	Other business with or applying for Delivery License or Endorsement	Total
Operating Costs (Insurance costs, Rent, Employee Costs, Software costs, Accountant fees, Gas cost, Payment processing fees, Product costs, Private lending interest rates)	8	2	5	15
Application Fees (Legal fees, Municipal fees, Location fees, Build out costs, Commencing operations fees)	4	3	1	8
Expenses required before securing a license or commencing operations	1	5	1	7
Expected expenses unexpectedly cost significantly more due to licensing process	1	3	2	6
Lack of income due to time spent applying and inability to fund owner income through SEP grants	1			1
Lack of revenue due to lack of contracts with retailers	1			1

Source: UMDI Survey of Cannabis Businesses

License Application Pipeline

An analysis of establishment-level license data shows a shrinking pipeline of prospective licensees, whether delivery or brick-and-mortar, who are interested in opening businesses in the cannabis industry (**Figure 13**). After an initial push post-legalization and post-creation of delivery type licenses, the number of applications per year has declined. Only marijuana couriers had more applications so far in 2025 than in 2024; operators and retailers are on track for declines year-over-year. **This is a challenge for the DE policy and could be a symptom of the difficult market conditions and challenges to feasibility in the cannabis industry.**

Figure 13: Volume of Applications by License Type and Year



There are proportionally fewer inactive (i.e. before the provisional or final licensure stage) courier and delivery operator applications compared to active applications (i.e. those that have achieved at least provisional or final licensure) than there are inactive retailer applications. **This is a positive trend for the DE goals**, as the pipeline seems to have fewer incomplete applications than would be expected, indicating that more delivery licensees reach provisional or final licensure compared to the marijuana retailer license type.

Table 12: Proportion of Inactive Licenses to Active Licenses by License Type

License Type	Active	Total Inactive	Inactive to Active Ratio
Marijuana Courier	25	72	2.9
Marijuana Delivery Operator	40	49	1.2
Marijuana Retailer	514	3,712	7.2

Given their lower inactive to active ratio, the delivery operator license appears to have the lowest barrier to entry among these three options, as described by this metric, among those seeking the license. People may start the application process and be less discouraged compared to retailers, who in comparison have more prohibitive conditions to create a business. This relates to the sales data analysis in the **Business Performance and Success for Delivery Exclusivity Licensees** section where delivery operators were the only license type to be experiencing sales growth over the past several years; if the market conditions for couriers and retailers are more difficult, prospective business owners may not be able to reach commence operations as easily.

Table 13: Licensing Fees by License Type

License Type	Average Licensing Fee	Average Fee Payment	Total Licensing Fees	Total Fee Payments	% of Fee Paid
Craft Marijuana Cooperative	\$8,125	\$675	\$32,500	\$2,700	8%
Independent Testing Laboratory	\$8,636	\$1,100	\$190,000	\$26,400	14%
Marijuana Courier	\$5,000	\$0	\$65,000	\$0	0%
Marijuana Courier Pre-Certification	\$0	\$0	\$0	\$0	0%
Marijuana Cultivator	\$8,757	\$680	\$3,476,382	\$274,525	8%
Marijuana Delivery Operator	\$0	\$0	\$0	\$0	0%
Marijuana Delivery Operator Pre-Certification	\$0	\$0	\$0	\$0	0%
Marijuana Microbusiness	\$3,218	\$580	\$119,063	\$14,500	12%
Marijuana Product Manufacturer	\$8,364	\$897	\$2,643,125	\$288,925	11%
Marijuana Research Facility	\$1,000	\$300	\$1,000	\$600	60%
Marijuana Retailer	\$8,471	\$861	\$5,751,735	\$546,600	10%
Marijuana Transporter with Other Existing ME License	\$3,750	\$767	\$30,000	\$4,600	15%
Microbusiness Delivery	\$1,106	\$0	\$4,425	\$0	0%
Third Party Marijuana Transporter	\$4,583	\$1,020	\$27,500	\$5,100	19%

Licensing fees for delivery businesses are waived, as evidenced by CCC internal data showing \$0 in fee payments for couriers, delivery operators, and microbusinesses with a delivery endorsement (Table 13). **This is a positive aspect of the delivery exclusivity policy, as average licensing fees can approach \$10,000 per business.** This represents significant savings for delivery businesses, especially considering that many of the licensing fees are collected at the beginning stages of business formation, at a time when access to capital can be most difficult. Nevertheless, survey respondents still found fees to be prohibitive (Table 11).

Cannabis Social Equity Trust Fund

The majority of CSETF funding goes to businesses that either have been approved for provisional or final licensure, or are in commence operations. Only ten percent of CSETF funding goes to pre-licensure businesses. **This could be a positive sign for the DE policy goals,** as most available funding goes toward businesses that the CCC has already approved in some capacity.

However, funding for prospective businesses, which may have financial needs in the pre-licensure phase, seems more difficult to acquire, which can be a challenge for some businesses that are exploring delivery functions. Put another way, less than half (45%) of CSETF recipients are in the application pipeline, with the remainder of awards going to businesses that are already in operation.

Table 14: Social Equity Trust Fund by Tier Level

Tier Level	Tier 1 (Industry Entry Support)	Tier 2 (Immediate Needs)*	Tier 3 (Support for Commencement of Operations)	Tier 4 (Existing Business Growth and Expansion)
Which businesses qualify?	Pre-Licensure (Provisional or Final)	Provisional or Final Licensees	Provisional or Final Licensees without Notice to Commence Ops	Final Licensees that have received Notice to Commence Ops
\$	\$2,750,000	\$2,650,000	\$7,250,000	\$16,200,000
% of Total	10%	9%	25%	56%

Note*: the Immediate Needs Grant Program from FY24 has been combined with the Tier 2 from FY25.

There are, however, data limitations for assessing the CSETF. First, the fund is administered through the Massachusetts Executive Office of Economic Development, a separate organization from CCC, and data on the CSETF awards were provided by the EOED. Many businesses named in the Cannabis Social Equity Trust fund dataset of awards for FY24 and FY25 did not exist or could not be matched to businesses on the publicly available dataset of licenses on the CCC's Data Catalog website. Many unmatched businesses were awarded relatively small amounts of \$25,000 or less (though some unmatched businesses were awarded grants of \$300,000 or more). This means that further analysis of those unmatched businesses was not possible.

Second, because a single cannabis business may have multiple licenses of different types, it is difficult to determine the exact distribution of CSETF awards by license type. We recommend that EOED add fields to the data so that CSETF grants can be matched with the specific business functions that the establishment intends to use the award for, which will allow them to better

understand how businesses are using this financial support, and if that fund usage differs by license type.

Business Conditions and Future Plans

In addressing this goal, survey respondents were asked questions regarding their perception of their own business conditions, future plans for their businesses, and barriers to fulfilling those plans. Respondents who are currently in operation received these questions.

Most respondents feel either neutral (39%) or very negative (33%) about their current business conditions. Comparing those who responded negatively overall to those who responded positively, more respondents have negative views (39%) of their business conditions while only 22% have a positive perception.

The majority of respondents (67%) anticipate barriers to fulfilling their business plans in the next year. The majority of respondents also intend to expand their business in the next year (78%), indicating a sense of resiliency among these operators who are continuing to pursue success in the cannabis industry despite barriers and negative business conditions.

The primary barrier to executing future plans was reported to be related to the delivery exclusivity period ending, or increased competition as a result of it ending. Other barriers include financing and business sustainability, market conditions and industry trends, and regulations and regulators.

Table 15: Barriers to Fulfilling Future Business Plans

Barriers	Total
Uncertainty related to delivery exclusivity	8
Delivery exclusivity period ending	3
Increased competition due to delivery exclusivity period ending	3
No guarantee of Social Equity Trust fund money	2
Financing and Business Sustainability	7
(Financial barriers, Lack of capital or access to capital, Conflict with partners and therefore losing partners and money, Not successful enough to sell, Legal fees to secure control of business, Predatory Lenders and Ancillary Businesses)	
Market Conditions and Industry Trends	7
(Oversaturated market driving down product costs and therefore revenue, No delivery market in nearby towns, Lack of retailers to partner with, Lack of support from industry power, Lack of biomass)	
Regulations and Regulators	4
(Cost of regulations does not consider prices for product, Business not sustainable due to regulations and associated costs, Lack of communication and consistency from regulators, Municipal barriers)	

Policy Impacts

Goal G from the Cannabis Control Commission regulations 935 CMR 500 is addressed in this section.

In this section, the survey of delivery exclusivity applicants and operators is leveraged to discuss key regulatory, policy, or guidance changed made by the Commission, and how they may or may not have improved business conditions and outcomes for delivery licenses. Questions about business impacts from specific regulations, HCAs, local equity provisions, and the Social Equity Trust Fund were asked to directly inform this discussion.

Policy Impacts	g. Any other information the Commission determines relevant
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Analysis

Goal G aims to assess "Any other information the Commission determines relevant." For this study, CCC staff requested that UMDI assess **"the key regulatory, policy, or guidance changes made by the Commission to improve business conditions and ideally improve outcomes for delivery licensees during the delivery exclusivity period."**

Headline: This goal has been partially met – while improvements to regulations, namely the removal of the two-driver rule, have positively impacted businesses, significant barriers in negotiating HCAs and inconsistencies across municipalities remain. The Social Equity Trust Fund has been highly beneficial and well-utilized by SEP participants, though the most commonly suggested improvement is for more funding to be made available.

- **Partially met: Respondents felt that all regulatory changes to the number of drivers, electronic records and delivery hours had generally positive impacts on their business.**
- **Not met: Reported experiences working with municipalities were generally negative, and many survey respondents reported experiencing significant barriers to entering the cannabis industry specifically due to negotiating HCAs.**
- **Not met: Most respondents felt as if these barriers have not changed over time, though slightly more respondents felt these barriers got worse (28%) as opposed to better (22%).**
- **Partially met: The Social Equity Trust Fund is well-utilized and highly beneficial for SEP participants.**
- **Partially met: The most common purpose of CSETF grants was reported to be professional services, utilized by 24 of the 31 respondents who are currently using the fund.**

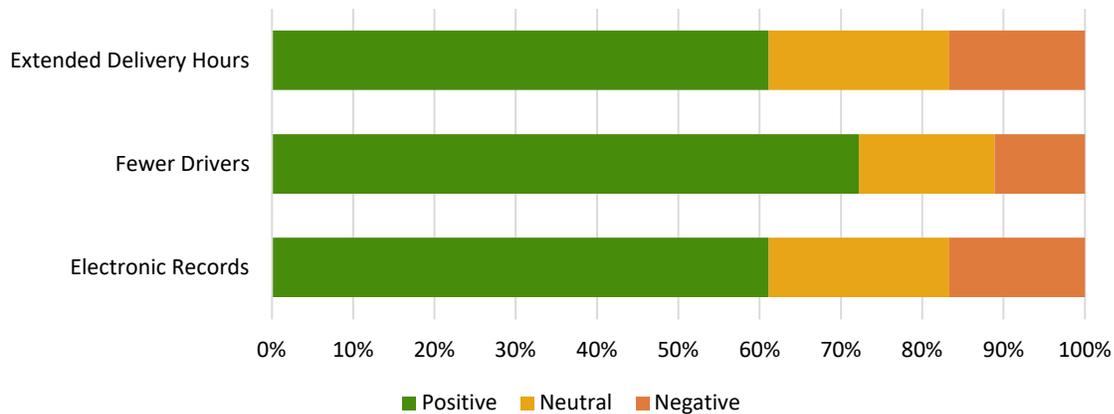
Understand the Impact on the Industry from the Changes to the Delivery Licenses

To address this assessment goal, survey respondents were asked about the impacts of three specific regulatory changes on their businesses: the introduction of the ability to use electronic records, the removal of the two-agent driver requirement, and the expansion of delivery hours. Respondents who are currently in operation received these questions. While respondents were asked to rank these impacts on a five-point Likert scale from Very Negative to Very Positive, the analysis below aggregates positive and negative responses.

Overall, **respondents felt that all regulatory changes had generally positive impacts on their business**, though about 1/5 of respondents felt neutral or no impacts.

The removal of the two-agent requirement, or the fewer drivers change, garnered the highest positive rating among the three regulatory changes (72%), while electronic records and delivery hours are tied (61%). That being said, more respondents felt very positive impacts from delivery hours (39%) than electronic records (28%).

Figure 14: Impacts of Regulatory Changes on Cannabis Businesses



Respondents were also given the option to list any other regulatory amendments that positively or negatively impacted their business. Other impacts from regulatory changes included several mentions of the two-driver rule and driver check-in requirements as positive impacts, while HCA agreements and the rules against delivering to hotels and businesses were mentioned as having negative impacts.

While these responses and sentiments shared in other survey questions suggest that certain regulatory requirements, notably the two-driver rule, have significant impacts on business sustainability, these amendments were positively received overall. Therefore, the changes in regulatory requirements and their resulting business impacts can be regarded as a step in the right direction.

Examine the effect of the ongoing implementation of the HCA statutory and regulatory amendments

To address this assessment goal, survey respondents were asked to list or describe major barriers they have noticed in working with towns and cities regarding host community agreements and related fees. Respondents who are currently in operation received these questions. Regardless of their responses to this first question, respondents were also asked to rank how these barriers have changed over time on a five-point Likert scale from Much Worse to Much Better. The analysis below aggregates positive and negative responses. Open response descriptions of barriers identified were grouped into themes for analysis.

Overall, experiences working with municipalities were generally negative, and many respondents experienced significant barriers to entering the cannabis industry specifically due to negotiating HCAs. The most common theme among barriers in working with towns and cities regarding HCAs were related to municipal resistance and obstruction tactics. Generally, respondents felt that municipalities took advantage of their position of power in granting licenses by dragging out the licensing process and misusing regulations to limit the number of licenses granted, such as refusing to re-open the cap on the number of licenses even when awarded businesses fail to open. As a result, respondents faced longer timelines and therefore higher costs associated with the licensing process to retain lawyers, pay rent on locations they have yet to be licensed for, and to support their own personal financial needs while waiting to earn any revenue. For some respondents, the wait time was so severe they ran out of funds, pulled out of the process, or were otherwise denied as they couldn't afford other fees and aspects of the application process.

When asked about how these barriers have changed over time, **most respondents felt as if these barriers have not changed over time, though slightly more respondents felt these barriers got worse (28%) as opposed to better (22%).**

Examine the effect of cities' and towns' bylaws/ordinances derived from Chapter 180 and the corresponding Municipal Equity regulations

To address this goal, survey respondents were asked to rank how mandatory local equity provisions have impacted their business. Respondents who are currently in operation received these questions. The question reminded respondents that municipalities must adopt local provisions to promote opportunities in the cannabis industry for individuals and communities disproportionately affected by marijuana prohibition and asked them to rank the impacts of these provisions on a five-point Likert scale from Very Positive to Very Negative.

Generally, responses regarding local equity provisions were neither positive nor negative. Most respondents felt that mandatory local equity provisions had no impact or neutral impacts on their business (56%), though more respondents felt there have been positive impacts (28%) over negative impacts (17%).

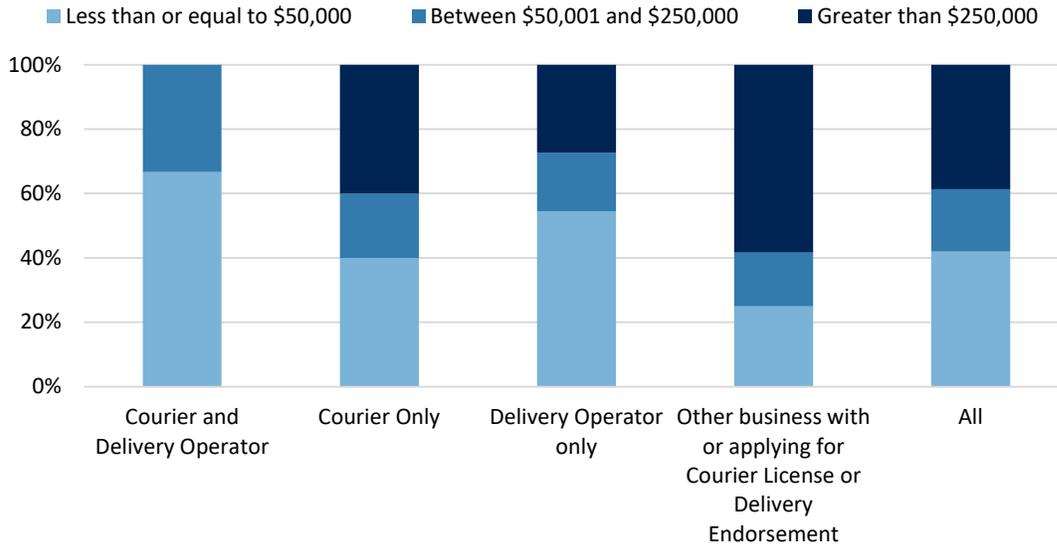
Assess the impact of the creation of the Cannabis Social Equity Trust Fund on Marijuana Establishments

To address this assessment goal, survey respondents were asked several questions regarding their awareness and usage of and business impacts from the existence of the Social Equity Trust Fund (CSETF). Respondents who are currently in operation and who are in the process of applying received these questions. Respondents were also asked about the purpose and size of the grant they received, if applicable, as well as any potential improvements to the fund that would benefit their business.

Overall, the CSETF is well-utilized and highly beneficial for SEP participants. The majority of respondents are either currently using or have previously used the CSETF (65%), while 23 percent are interested in applying in the future. Only 8 percent reported not knowing what it was, and 2 percent haven't heard of it at all. Overwhelmingly, 94 percent of respondents who

are currently using or have previously used the CSETF reported having positive benefits, with 71 percent reporting it benefited them a lot. It should be noted that in other open response questions, some respondents reported that they have still not received CSETF funding, despite having applied.

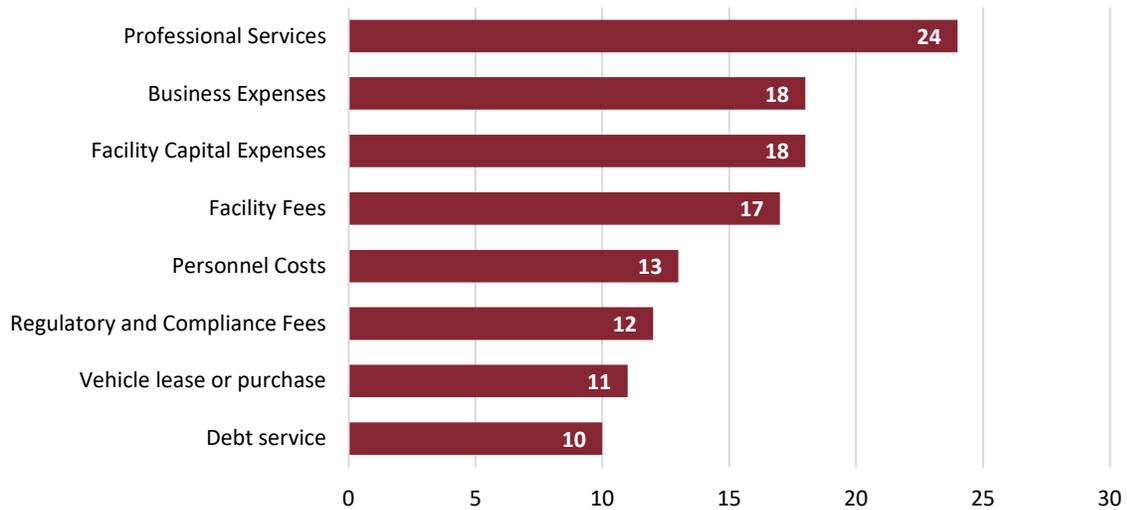
Figure 15: CSETF Grant Sizes



Most grant sizes were reported to be either less than or equal to \$50k (42%) or greater than \$250k (39%), with the most common purpose reported to be professional services, followed by business expenses, and facility capital expenses. Considering the financial strain expressed in other survey questions, it is clear that even though these grants have been beneficial, it is still difficult to support a delivery--type cannabis business. This and the gap across small and large grant sizes illustrates that the fee scales and cost structures are high in this industry, and less like other small businesses.

Survey respondents were able to select more than one purpose for their CSETF grant. **The most common purpose of CSETF grants was reported to be professional services, which are related to consultant, financial, or legal fees for document and application preparation, feasibility and market studies, and others, utilized by 24 of the 31 respondents who are currently using the fund.** Other top grant uses include business expenses, facility capital expenses, and facility fees.

Figure 16: CSETF Grant Purposes



Open responses to the question asking about any improvements to the fund that would benefit a respondent's business were grouped into themes, and the sentiment most commonly reported was for more funding to be available in future rounds (note that funding is made through legislative appropriations). Respondents also suggested better communications with EOED and the CCC, broader categories for purposes of grant money, and different terms of agreement.

Conclusions and Recommendations

Conclusions

The purpose of this report is to analyze whether the goals of the delivery exclusivity period have been met as outlined in the regulations, and additionally, make recommendations based on the conclusions drawn from this analysis.

This section utilizes all data sources used in this study, including sentiments shared in the survey by industry participants, to draw conclusions on our analysis of the delivery exclusivity period. These conclusions inform our recommendations, which aim to highlight the areas in which the CCC can focus its efforts to improve outcomes for participants. That said, it is ultimately the decision of the Commission which, if any, of these recommendations they choose to implement or any amendments to these recommendations they choose to make (e.g. length of time for extension, etc.).

In the broadest sense, the goal of the DE period is to prioritize applicants for economic opportunities who are part of geographic and/or racial or ethnic groups historically impacted by the war on drugs. Overall, the program is well-suited to achieve these goals. There are avenues for people who have been historically disadvantaged to get a head start in the industry and a vision and programmatic infrastructure in place to help these populations gain access to economic opportunities. The CCC designed this program with economically empowering principles in mind – the program is designed with the hope of lowering barriers to entering the industry, to provide funding, training, and services to ensure success in doing so, and to protect a portion of the industry from large, multi-state operators or those otherwise with access to significant amounts of capital from dominating the marketplace.

The DE period has succeeded in some important ways, namely by encouraging high rates of representation and participation of disproportionately impacted business owners in the cannabis industry. This is true both within disproportionately impacted areas, where delivery businesses are comparatively well represented, and for business owners and agents who are people of color, who participate at higher rates in the cannabis industry compared to the participation of people of color in the Massachusetts economy overall.

However, work remains to be done before the overall goals of the delivery exclusivity period can be achieved. **Goals of encouraging full participation in the industry by disproportionately impacted people have yet to be met based on relatively low numbers of licensees in the operating phase, slow rates of growth, and issues with financial feasibility.** The adoption of delivery licenses in the industry has been at much slower rates than for retail licenses and for the industry overall, and delivery businesses represent only five percent of license holders who are open for business – a very small portion of the cannabis industry. In practice, many of the regulations related to businesses in the industry are inadvertently hurting delivery businesses. This, combined with other market forces have created severe difficulties for people utilizing these licenses. Survey respondents overwhelmingly reported facing unfeasible and unexpected

start-up costs, onerous applications processes, prohibitive regulations, and business models which ultimately make their businesses very difficult to sustain.

While some conceive of the delivery opportunity as one similar to food delivery app services like Uber Eats, the reality of the policy landscape is that the cannabis delivery industry differs from these companies in significant ways. In terms of business models, food delivery app drivers are gig economy workers who work at their convenience for smaller, and more inconsistent incomes using existing infrastructure provided for them by a parent company. In contrast, cannabis delivery couriers are small business owners who are seeking higher profits that match their business establishment efforts, but they are not realizing profits at the same scale as their investments.

Business models for food delivery work differently and offer resources and economies of scale that do not exist for the cannabis delivery market. Drivers for food delivery services such as Uber Eats are screened and enabled to opt-in to any local delivery requests, and food establishments are able to opt in to the service with a singular, overarching agreement with the driver's parent company (Uber Eats in this example).⁴¹ In contrast, for the cannabis delivery industry drivers are empowered to create their own stand-alone business. But opportunities for delivery may only be realized after an extensive licensing process with the CCC and municipalities, further contracting with individual retailers on a case-by-case basis, the development of or contracting with a third-party technology platform to service deliveries (much like the Uber Eats app, but for individual delivery operators), and extensive legal, licensing, and business related expenses. These differences present a significant gap in the understanding of marijuana delivery business models (and for couriers, in particular, who must rely on agreements with brick-and-mortar retailers), and while recent regulatory changes have made improvements to these hardships, the majority of survey respondents feel that the delivery exclusivity period has not been long enough) for them to fully capitalize on the opportunity.⁴²

Considering these conclusions drawn from the analysis of industry data and participant feedback, our overall recommendation is that **the delivery exclusivity period should be extended.**

The Delivery Exclusivity period should be extended

There have been significant obstacles to address during the DE period and the interventions in response have not been in place for long enough to benefit licensees.

The majority of respondents reported that the existence of the DE period either influenced or greatly influenced their decision to open a cannabis business (80%), and the overwhelming majority of respondents, applicants and operators, felt as if the DE period should be extended (87%), with only 11 percent of respondents disagreeing or feeling neutral about an extension. For those with a non-delivery license type, more than one-third said the DE period enhanced the

⁴¹ <https://www.uber.com/us/en/deliver/>

⁴² The Delivery Exclusivity period began on April 1, 2022.

success of their current business (39%). For those who want the DE period to be extended, the primary reason was because the initial exclusionary period did not allow time for the first entrants into the market to flourish (see **Table 22**). Other concerns about the period ending included multi-state operators (MSOs) taking over the market and pushing DE operators out, not having time to capitalize on the opportunity after the two-driver rule was removed, and those who felt the original goal of the delivery operator and courier licenses being reserved exclusively for social equity applicants has not been achieved.

Respondents felt that the aspects of the DE period that have had the greatest impact on their businesses sustainability and feasibility was the opportunity to get a head start in building their business, the capital available through the Cannabis Social Equity Trust Fund, and the ability to open a business with lower startup costs based on the license types (**Table 23**). Regarding owning and operating a cannabis business (**Table 24**), respondents shared perspectives of how difficult the conditions of the cannabis industry are, though positive sentiments shared were the most highly reported, as respondents highlighted the positive role of the cannabis industry on the local economy.

The delivery exclusivity period should be extended several years (e.g. 5-to-7).

We can clearly conclude that the initial three-year period was too short to observe measurable change or measure outcomes. Three years appears to have been too limited a time frame for the effects of the policy and its follow-up interventions to be measurably realized. Quantitative data available for this study show no obvious changes in trends during the exclusivity period that could be related to the timing of policy interventions.⁴³ At the same time, SEP participation increased over the entire DE timeframe. Feedback from licensees relayed that there has not been enough time between the launch of the exclusionary period and subsequent policy interventions to see improved conditions for licensees or assess their impacts.⁴⁴ Many expressed that the initial three-year period should be seen as a ‘starting point.’ Also, during this time, data systems were not fully refined and still need modification to collect sufficient data. A three-year period does not appear to have been long enough to observe measurable changes.

While recommending that the delivery period should be extended, the research cannot and did not lead to a clear and specific answer regarding a time frame recommendation. Instead, the analysis of public comments found that respondents arguing for an extension proposed various durations, mainly arguing for an extension of five years or greater. One group of respondents argued for a five-year extension (to eight years total). Another group proposed a seven-year reset from current date (to ten years total). One survey respondent wrote:

"The Commission should reset the exclusivity period to a full seven years, if not longer, to give social equity businesses a genuine opportunity to become sustainable."

⁴³ License applications, SEP participation, and sales data were used as major measures.

⁴⁴ See feedback from public comment from late 2024 and survey responses in fall of 2025.

Others during the public comments process argued for an indefinite or even a permanent extension. The former argued that there should be no time limit for the delivery exclusivity program, that the period should be indefinite, until profitability metrics are fulfilled. Others proposed an extension tied to measurable success indicators. Finally, one group argued that delivery exclusivity should be in place permanently, providing a sector of activity for disproportionately impacted people as a form of compensation for the real harm experienced by this group due to the enhanced criminal enforcement during the “war on drugs.”

It is ultimately the decision of the Commission which, if any, of these recommendations they choose to implement or any amendments to these recommendations they choose to make. Given the evidence that the three-year period was too limited a time frame for participants to experience impacts and too short to measure, and our proposed changes to data measurement systems, we suggest that the period be extended for an additional five to seven years. The Commission could also consider an indefinite period (assuming legal and regulatory feasibility), that stays in place until metrics are fulfilled.

It is important to clarify that our recommendation is not to conduct the program as it stands now for another set of years. Our findings suggest both that the program has not had enough time to be successful **AND** that there are a number of impediments (structural, regulatory, cost-related and market-related issues) that are preventing the program from being fully successful. Major impediments are discussed in the next section. Examples include difficulties obtaining financing; a complex regulatory setting requiring professional services to manage; and costly administrative burdens at state and local levels. Therefore, we recommend for any time frame that is selected, that an evaluation take place during that time to assess the program and efforts to change some of the structural and regulatory issues.

While the regulations do not specify quantitative targets to measure the goals of the program, and while the data that are available to use as indicators for assessing these goals are administrative in nature and need fine-tuning for analysis of this program, we can still conclude that the leading mission of economic empowerment has not been fully realized. Between the onerous requirements that prevent or prolong entry to the industry, the gap between the CCC’s vision and the reality of delivery business models, and the modest profits made by delivery licensees, it is clear that there are significant barriers preventing delivery businesses from being feasible and sustainable.

Primary Barriers to Feasibility and Sustainability

The available data and industry feedback analyzed for this study allow us to identify several primary barriers to feasibility and sustainability of businesses which hold delivery licenses and for applicants seeking delivery licenses.

Costly start-up

Though the CCC attempts to limit start-up costs for DE operators by waving initial licensing fees, other expected and unexpected costs remain high for participants. Expenses such as legal fees and accounting fees ended up costing significantly more than expected for some survey respondents due to the lengthy application process, which often dragged on because of lengthy

negotiations with municipalities. Some respondents reported municipalities charging fees that were not to scale with their business model and therefore unaffordable. An additional factor for the start-up cost is the time spent on the application process.

Lengthy application process

Between Host Community Agreement (HCA) negotiations with municipalities and the other extensive requirements within the applications, the process ultimately took much longer than most participants expected. Given that the primary benefits this program offers is to allow a timeframe for SEP participants to get a head start in the market, time is especially of the essence. When excessive requirements, lengthy negotiations, and contract procurement delay the ability to start making profit, the benefit of a head start is negated.

While DE applicants were found to have shorter application timeframes than retailers, it still takes about a year for couriers and about a year and three months for delivery operators to move from submitted to approved with final licensure, with an additional month and a half from approval to commencing operations (see **Figure 3**). Considering the DE period has been active for three and a half years, even **applicants who submitted applications when the period first began may have only been operational for the past two years, a timeframe in which many young businesses may not yet be profitable.**

Extensive and prohibitive requirements

The two-phase application process requires applicants to register their business and submit a range of necessary documents for pre-certification, make agreements with municipalities and complete background checks, and ultimately re-submit updated documents before they can be assessed for approval. Given the sensitive nature of cannabis marketplace, it follows that security plans and background checks are a necessary part of this process, though they may take significant time and effort. Other aspects of the application, such as Positive Impact Plans, Diversity Plans, and more, are not necessarily vital to starting business operations and can act as additional roadblocks preventing applicants from realizing their business goals.

Confusing application process

In addition to adding time and effort to the application process, the requirements for licensure prove to be confusing for entrepreneurs and new business owners. Between the two-phase process that requires a second application initiation after pre-certification, and the requirements for DE operators who do not have brick and mortar locations to make HCA agreements, survey respondents felt that the process was overall confusing. Added confusion makes the application process take longer, costs more due to reliance on professional services, and the process becomes stressful, adding mental load to applicants.

Seemingly underdeveloped and unsustainable market conditions

Ultimately, DE operators make up a very small share of the industry and of marijuana sales. Of the 746 operational licensees in the industry, just 33 are delivery licensees, roughly five percent of all licensees. Since the start of the legal cannabis market, 99.3 percent of all marijuana sales have taken place in a dispensary, and only 0.7 percent of sales have been made through delivery (**Figure 9**). There is no readily available source of data to allow comparisons across U.S. states, although a few studies provide estimates of the proportion of businesses offering delivery. For

example, in a 2022 survey of U.S. dispensaries, more than three-quarters of dispensaries said they were set to offer delivery services.⁴⁵ Estimates from a recent academic study found lower levels of usage: 13.4 percent of brick-and-mortar retailers⁴⁶ were advertising delivery services across a U.S. sample of dispensaries. Massachusetts data show a similar level of use, with CCC sales data showing that 9.4 percent of retailers have utilized courier services (28 retail licensees have delivered with couriers out of 297 retailers total that are present in the sales dataset). At the same time, delivery services, and couriers in particular, are generally not growing in the industry. In Massachusetts there are 40 retail businesses for every one courier license holder. However, with 13 courier licenses currently in operation, and 28 retail licensees having utilized a courier to deliver, that would imply that the average courier business has agreements with only roughly two retailers. Therefore, there appear to be unrealized opportunities for couriers to partner with greater numbers of retailers and expand their delivery capacities.

Barriers on the consumer side of the market

We are aware of several areas from the consumer side of the market which create barriers to utilization for delivery businesses. These market conditions exacerbate issues with sustainability in the market, even after participants have overcome barriers to entering the market. One issue is that delivery businesses are not integrated into the spaces where consumers typically go to purchase marijuana products. Ordering delivery requires consumers to find a stand-alone website for businesses without a brick-and-mortar presence in their communities, and aside from advertisements, they may be completely unrecognizable by their local residents, further decreasing the chances of consumers utilizing delivery operators.

Another issue is the cumbersome purchasing process with additional steps and fees for consumers. In order to place a delivery order, customers have to complete verification steps on their own online and are often met with additional service or delivery fees of \$5 to \$10 on top of order minimums, which can be upwards of \$50 to \$60. Fees and transaction processes could easily push out customers who are only willing to purchase a single-use product or otherwise small purchase, and these customers will likely utilize a retail dispensary instead of delivery operators.

Overall, the time and money that DE operators invest into their businesses are not at the same scale as their sales and profits. This is both because of the barriers to entering the market as well as the underdeveloped market in which they should be able to recoup the investments made during start-up, but which does not seem to be the case for most participants. The following section will address potential avenues to address these barriers.

⁴⁵ Cannabis Business Times. September 2, 2022. <https://www.cannabisbusinesstimes.com/business-issues-benchmarks/cannabis-delivery/article/15689275/skus-online-orders-and-delivery>

⁴⁶ Berg, Carla, et. al, Cannabis retailer marketing strategies and regulatory compliance: A surveillance study of retailers in 5 US cities. Addict Behavior. March 17, 2023. <https://pmc.ncbi.nlm.nih.gov/articles/PMC10674052/>

Recommendations to Address Barriers

Streamline and simplify as much of the licensing process as possible

To create a more feasible and sustainable business model for DE operators, interventions should seek to create efficiencies in application, licensing, and agreements/approvals processes so time and costs are minimized. Survey respondents have reported that time spent in multiple application processes, both with the CCC and with municipalities, create and compound costs and financial burdens (i.e. legal and professional services). The CCC should continue to streamline and simplify as many processes as possible to reduce burden and costs on new entrants into the market. In short, the CCC should consider any interventions related to minimizing unnecessary costs.

Streamline municipal involvement

Survey respondents cited various struggles in working with municipalities on host community agreements (HCAs) and other legal requirements, most of which are summarized by a lack of consistency across municipalities and transparency in the application process. Interventions that help streamline requirements, increase transparency, and build uniformity for applicants can help shorten application timelines and get operators into the industry with a greater likelihood of success.

- **Continue to promote resources for agreements and guidelines to working with municipalities.** Model HCAs and HCA/HCME guidance documents for both municipalities and applicants with guidelines can ensure that there are no unexpected costs or requirements, help applicants navigate the process with fewer legal or professional service costs, regulate fees and create a simpler process overall. While these resources already exist, many survey respondents reported having negative experiences with municipalities, specifically on the legal side of negotiating agreements. It is important that the CCC continue to promote and publicize these resources to simplify these processes and provide related technical assistance. This action could also reduce the burden on the CCC as the monitoring of these municipal agreements is labor-intensive.
- **Ensure agreements with municipalities are timely.** To fully capitalize on an exclusivity period, applicants should be able to move through the licensing process as quickly as possible. While there is already prioritization of these DE applicants by the CCC, it is important that the CCC urge communities to expedite the process of creating HCAs and negotiating other agreements with delivery operators.
- **Lobby to change statutory requirements to minimize HCA requirements for delivery couriers.** For operators who do not have brick-and-mortar or retail locations, consider a centralized agreement process in which applicants will not have to make several, individual agreements with different municipalities. Additionally, we recommend that HCAs for delivery couriers are only required for the city in which the business is headquartered. As such, if a delivery courier already has a standing HCA with a municipality and applies for additional licenses, they should not have to negotiate additional HCAs. An additional or alternative intervention to expedite the process altogether would be to allow retailers to bundle delivery couriers into their HCA

agreements, eliminating the need for delivery couriers to negotiate separate HCAs for each community they serve. Considering the products being delivered are sourced from a retailer or other cannabis licensee they are therefore already considered within the primary HCA. Further payments for community impacts may not be necessary for operators who do not have brick-and-mortar storefronts.

Streamline the application process for licensing

Applicants who responded to the survey faced roadblocks and hardships during the licensing process that are related in some way to the application process, which generally took longer, required more effort and expertise, and cost more than they anticipated. Interventions that address the volume of requirements, specific requirements that cause issues, the number of parties (municipalities, the CCC, or retail partners) involved in the process, or are otherwise non-essential can help applicants reach operation and therefore profits sooner, capitalizing on the DE period.

- **Reconsider the two-phase application process.** Currently, the application process includes two phases with several approval milestones where an applicant must re-engage in the application process after being pre-certified. Instead, applications could automatically move on to provisional licensure once they're pre-certified without re-initiating the application process or submitting repetitive paperwork. There are many similar license types to apply for, and many steps where applicants may face roadblocks. A streamlined process could reduce confusion and reliance on legal or professional services.
- **Reconsider requirements that are not essential to operation.** Ancillary requirements that may not be related to security, operations, or safety could either be completed after commencing operations, or could be removed entirely. Many of these requirements may be outside of a new business owner's knowledge, and would require additional time and resources to complete, and others may be unnecessary for this group, such as Diversity Plans, considering these applicants are all SEP qualified, or Positive Impact plans. Additionally, restructuring the requirements for physical space, allowing a submission later in the process could help reduce the financial burden of rent, which is very costly and adds large upfront costs with the current requirement of securing a space before licensure.

Bolster access to capital

The CSETF was widely regarded as very beneficial to its users according to survey respondents, but these same users are still struggling with start-up costs. Interventions that expand options for financing, the amount of capital available, and the source of this capital could fill gaps for applicants and improve business feasibility for new business owners.

- **Encourage the legislature to expand the use of the Cannabis Social Equity Trust Fund.** Survey respondents reported that they could benefit from expanding the CSETF to add more funds and funding rounds, to add more allowed options for grant purposes, and to speed up timelines for grant access. Encouraging the legislature to appropriate more

funds, more funding rounds, allow different uses for these funds, and encourage the implementation of additional forms of capital such as low-interest loans could help fill gaps between current grants and remaining costs for business owners. The use of low-interest loans could also help businesses build credit, which is valuable.

- **Consider partnering with other financing organizations, such as MassDevelopment to offer capital to the industry.** To supplement CSETF funding, the CCC could separately partner with organizations like MassDevelopment to provide the capital needed for low-interest loans and connect participants to other valuable business growth resources.

Create channels to accelerate connections across the industry

Survey respondents reported spending significant and unexpected funds on the various certifications and agreements required for licensure, describing the onerous process of getting certified by the SEP and licensed by the CCC, making HCAs with municipalities, satisfying other local requirements – only to be faced with the task of finding and negotiating contracts with retailers or manufacturers in order to have actual products to sell. At the same time, visibility remains as issues for delivery licensees related to cumbersome processes on the consumer side of the market. By creating channels for both business-to-business connections and business-to-consumer connections to be made, the CCC could further integrate delivery into the current, thriving side of the industry with delivery services functioning as an asset to retailers and consumers as opposed to a competitor. Interventions that could centralize connections, and possibly even contracts between businesses in the industry, could save time and effort for applicants, scale start-up costs and efforts to the scale of delivery businesses, and even promote higher rates of utilization across the delivery industry.

- **Consider channels for business-to-business connections.** Applicants who are at the approved or pre-approved stage could either elect to be a part of, or automatically be added to, a platform or database on which retailers and manufacturers are already registered for the purpose of connecting with other licensees in the industry. This could help delivery businesses get more visibility and would likely benefit all corners of the market. The Massachusetts Supplier Diversity Office hosts a similar database of certified diverse businesses in Massachusetts to support contracts.⁴⁷ An additional facet of this platform could be a centralized delivery contract, which retailers and manufacturers could opt-in to, eliminating the need for individual contracts between businesses. If a delivery operator is licensed, a retailer or manufacturer could opt-in to allow their customers to order delivery serviced by a delivery driver who has opted in to the platform. Much like a restaurant business opts in to Uber Eats, a retailer could opt in to this platform, and delivery drivers could accept delivery requests or promote their products.
- **Consider channels for business-to-consumer connections.** A platform or landing page which promotes all operators, delivery or not, could be a place for delivery operators to

⁴⁷ Certified Diverse Business Dashboard. <https://www.mass.gov/info-details/sdo-certified-diverse-business-dashboard>

boost their visibility or connect with retailers and manufacturers. Much like a customer browsing local restaurants on Uber Eats by cuisine, location, restaurant name, or by pick up or delivery, a central sales platform could allow customer to browse local cannabis businesses by brand, location, business name, or by pick up or delivery. While some websites with similar structures currently exist, such as Weedmaps or Leafly, it appears that these platforms do not include all licensees. A platform operated by the CCC which promotes all licensed operators could be beneficial for both businesses and consumers.

Recommendations to Improve Data Systems to Enable Effective Assessments in the Future

Finally, we have suggestions for improving Commission data systems to enable more effective tracking and analysis of programs in the future. Research based on administrative data collected by the Commission has been a key aspect of assessing the success of the delivery exclusivity period. As stated in Commission licensing documentation, “the Commission will be collecting data and information over the exclusivity period. The Commission will evaluate whether the goals of this initiative were met and, if not, may further extend the exclusivity period.”⁴⁸ However, our use of administrative data evidenced a need for additional variables to be collected along with a need for better harmonization across Commission data sets to allow linkages and enable full analysis of the required topics.

The following are recommendations related to data collection and standardization:

Include new measures in CCC datasets to indicate:

- A yes or no variable indicating ‘disproportionately impacted’ status for licenses, agents, and persons with authority;
- A yes or no variable indicating whether the agent or person with authority is a person of color (using existing data on detailed race and ethnicity, including write-in answers that are difficult to analyze); and
- A yes or no variable indicating whether the establishment is majority owned by people of color

While disproportionately impacted people and groups are defined by the Commission⁴⁹ and the term is reflected in SEP program qualification criteria, a field indicating this status is not included as a yes or no variable in the administrative data sets used by the Commission. The addition of this field would streamline future assessments of the delivery exclusivity policy and simplify the structures of these datasets. A term that might approximate for this is an official status as an

⁴⁸ Guidance on Licensure. Cannabis Control Commission. February 2024. Language appears three times on pages 11 and 12. Accessed October 2025. <https://masscannabiscontrol.com/wp-content/uploads/2024/03/Guidance-on-Licensure.pdf>

⁴⁹ According to the Commission, disproportionately impacted people / groups include past or present residents of geographic areas of disproportionate impact; certified Economic Empowerment recipients; Social Equity Program participants; Massachusetts residents with past drug convictions; and Massachusetts residents with parents or spouses who have drug convictions. From Guidance on Plans to Positively Impact Disproportionately Harmed People. Accessed July 2025. <https://masscannabiscontrol.com/wp-content/uploads/2020/01/Guidance-on-Plans-to-Positively-Impact-Disproportionately-Harmed-People-1.pdf>

Economic Empowerment Priority Applicant and/or a Social Equity Program Participant. If these statuses are used to construct a disproportionately harmed variable, the CCC should ensure that all SEP or EEP participants are accurately designated in the establishment and agent databases.

The CCC currently collects data on the detailed race and ethnicity of agents and persons with authority. However, many of the responses are “other race” open-ended answers, which requires a significant effort to code into useable data for analysis. UMDI recommends that CCC adjusts their data collection to ask agents whether they are or are not a member of the three race and ethnicity groups that the CCC considers as their definition of people of color. After answering yes or no to this question, agents can still answer with their detailed race and ethnicity groups. This change, however, would streamline future assessment of participation and representation by people of color.

Similarly, it is currently possible to calculate whether a license is majority owned by people of color by categorizing the CCC’s internal dataset on persons with authority (consisting of individual-level data on owners, board members, directors and other others) with an indicator for person of color, and then aggregating percentage ownership for owners who are people of color. This process could be replaced by collecting data on establishments directly for whether they are majority owned by people of color and including an indicator field to that effect in the establishment dataset. This information could be suppressed in public-facing downloads on the Open Data webpage but used internally for future assessments.

The following are suggestions for addressing gaps in data about the Cannabis Social Equity Trust Fund:

Cannabis Social Equity Trust Fund

There are data limitations for assessing the CSETF. The fund is administered through the Massachusetts Executive Office of Economic Development (EOED), a separate organization from CCC, and data on the CSETF awards were provided by the EOED. As such, any changes to the data set would require that the CCC work with the EOED. UMDI recommends that CCC work with EOED to analyze the SETF data in new ways and to better match businesses between EOED datasets and CCC administrative data.

First, due to confidentiality requirements in handling CCC data, we cannot analyze the race or ethnicity of Social Equity Trust Fund awardees. UMDI recommends that the CCC work closely with EOED to better understand what proportion of CSETF grants are awarded to people of color business owners.

Second, many businesses named in the Cannabis Social Equity Trust Fund dataset of awards for FY24 and FY25 did not exist or could not be matched to businesses on the publicly available dataset of licenses on the CCC’s Data Catalog website. Many unmatched businesses were awarded relatively small amounts of \$25,000 or less (though some unmatched businesses were awarded grants of \$300,000 or more). This means that further analysis of those unmatched businesses was not possible. The difficulties in matching could be due to businesses that change their “doing business as” name between applying for licensure with the CCC and applying for funding through the CSETF.

Lastly, because a single cannabis business may have multiple licenses of different types, it is difficult to determine the exact distribution of CSETF awards by license type. For instance, if a business with both retail and courier licenses receives an award from the CSETF, it was not possible with the data we were provided to fully understand which function of the business the award was intended to support. We recommend that CCC works closely with EOED to match CSETF awards with the specific business functions that the establishment intends to use the award for, which will allow them to better understand how businesses are using this financial support, and if that fund usage differs by license type.

The following are recommendations to enable a better understanding of SEP and EEP participation in the industry:

Improve tracking of SEP and EEP participants in the industry across administrative data sets.

Due to lack of identifiers in the data, it is difficult to determine the distribution of SEP participants among the various marijuana license types (including agents and establishments). A review of CCC administrative data reveals that, as should be expected, all active delivery operators (both those active in the application process and those with commence operations status) are either SEP or EEP participants. However, the data seems to show that only 76 percent of active couriers have an SEP or EEP number; considering business owners need to be SEP or EEP participants to own a courier license (and we would therefore expect 100% of courier licenses to be SEP or EEP), this would indicate the data is incomplete to some degree. Only 15 percent of active marijuana retailers list an SEP or EEP number in the administrative data. This could be an undercount as well, considering the percentage of incomplete data observed among courier licensees. In addition, non-delivery businesses may be SEP or EEP participants but may not feel it necessary to list their number when reporting to the CCC considering it is not required to be an SEP or EEP participant to own a retail license. This makes it difficult to interpret the SEP or EEP data as is or understand the full reach of the program.

UMDI recommends better tracking of SEP and EEP participants in the industry. With a more comprehensive understanding of SEP and EEP participation in the cannabis industry (either as licensees or as agents), the CCC can better evaluate and quantify the benefits of these programs.

The following are suggestions about the sales data base to provide a better understanding of the cannabis delivery system:

The sales database needs to include delivery courier information.

We do not currently know the relationship between couriers and the retail businesses they may be serving, as the sales database only lists the retailer license number for sales completed by a courier and does not list the courier license number. For this report we did not have access to a list otherwise of linkages between couriers and the retailers they serve. An analysis of linkages between delivery operators and retailers or manufacturers could provide useful insights on the utilization of delivery by dispensaries, including any geographic variation.

Additionally, in order to study the use of delivery couriers accurately, data systems must add variables to allow courier sales to be affiliated with a courier license. Sales data records

currently list the retailer license number for sales made by couriers, but not the courier license number itself. With this information, an analysis of regional variation of courier sales would be possible, as well as an analysis of sales trends in DIAs and for courier licenses majority owned by people of color, for instance. Further, a field would be useful in the sales database that disaggregates the revenue of courier sales between retailers and couriers. Couriers earn revenue by service fees and tips on deliveries, though those fees and tips are not reported in the data.

The following are recommendations to fill gaps in understanding the agent-level data:

Additional fields are needed in the agent-level data to specify job types to allow the determination of who is an employee – for example, the field could distinguish payroll employees and indicate other roles.

Measuring employment in the industry is difficult due to lack of specificity in the agent-level data set. The agent data set does not specify between payroll employees and other persons affiliated with a marijuana business such as owners and board members. As such, UMDI recommends the CCC develop a code to indicate if the agent is a payroll employee of a marijuana establishment. This will allow for more direct comparisons to other industries in the state as well as making it easier to estimate the economic contributions to the Massachusetts economy of marijuana businesses.

IMPROVE FUTURE ASSESSMENTS OF DELIVERY EXCLUSIVITY

As this study points out, questions remain about business models, cost structures, and issues of feasibility and sustainability for the delivery license types. Considering these gaps, we suggest the Commission seek to further understand these issues so they can continue to identify interventions to improve feasibility and sustainability. Currently, administrative data is not designed to provide information in these areas. It would be helpful in the future to collect firsthand participant perspectives about the program as well as business conditions.

Another suggestion related to future assessments is to create measurable targets related to industry licensing and participation. Data benchmarks used in this study can be used as a starting point to allow future assessments.

Appendix A: Interview Guide for Commissioners

Cannabis Control Commission

Delivery Exclusivity Period Assessment: Phase I – Interview Guide

Hello and thank you for your time. The UMass Donahue institute is working with the Cannabis Control Commission to better understand the main program goals, challenges and benefits of the delivery exclusivity period. My research team is particularly interested in knowing more about your perspective on why the delivery exclusivity period was created, what challenges were experienced during its implementation, and to what degree you think this period was successful. This information is being collected in part to assess whether the program should be extended. The Cannabis Control Commission identified you as someone whose perspective would be ideal to include in our study.

A few things to note before we begin:

- The research team is not able to record or transcribe this conversation. I/ We will be taking notes throughout the interview to ensure I/we can capture everything you say accurately without recording.
- These notes will not be shared outside of the UMDI research team.
- Your participation is completely confidential. My research team will not make any quotes directly attributable to you unless we have your consent to do so.

Do you have any questions before we begin this interview, and I start recording?

[BEGIN RECORDING TO THE CLOUD ON ZOOM]

1. Please tell me your name, title, and describe the role you played in the conception, development, and implementation of the delivery exclusivity period.

Thanks. I'm going to focus on getting a clearer sense of what the main objectives were for the delivery exclusivity period. As the research team is aiming to evaluate this period, our evaluation has been a bit challenging because specifics of program goals were not defined or operationalized at the beginning of the exclusivity period.

2. Why do you think the Commission decided to create a delivery exclusivity period?
 - What was the Commission hoping to accomplish by creating a delivery exclusivity period?
3. What were the main goals of the delivery exclusivity period when it was first implemented?
 - Have those main goals changed since then?
 - If yes: please describe this change
 - If no: why do you think it hasn't changed?

4. What specific problems was the delivery exclusivity period supposed to address?
 - What specific communities did you believe would directly benefit from the delivery exclusivity period?

Thank you. I'm now going to pivot the conversation slightly and focus on defining specific key terms and concepts connected to the overall goals of the delivery exclusivity period. In order to do that, I'm going to read out a description of the delivery exclusivity goals, and will copy it into the zoom chat, for your reference.

[ADD TO ZOOM CHAT] Under the exclusivity period, (which began April 1, 2022) delivery licenses are set aside only for businesses with majority ownership made up of Economic Empowerment Applicants (EEA) or Social Equity Program (SEP) participants. Delivery Operator Licenses shall be limited on an exclusive basis to businesses controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants or Social Equity Program Participants... to promote and encourage full participation in the regulated Marijuana industry by people from communities that have previously been disproportionately harmed by Marijuana prohibition.

It is my team's goal to develop a uniform definition for each of the following terms we'll discuss, as well as think through the specific metrics that could be used in measuring and assessing each term.

5. Please describe the importance and role of the phrase *financial feasibility* to the delivery exclusivity period's goals.
 - What specific ways could the delivery exclusivity period's *financial feasibility* be measured and/or quantified?
6. Please describe the importance and role of the phrase *business performance* to the delivery exclusivity period's goals.
 - What specific ways could the delivery exclusivity period's *business performance* be measured and/or quantified?
7. Please describe the importance and role of the phrase *rates of participation* to the delivery exclusivity period's goals.
 - What specific ways could the delivery exclusivity period's *rates of participation* be measured and/or quantified?
8. Please describe the importance and role of the phrase *continued participation* to the delivery exclusivity period's goals.
 - What specific ways could the delivery exclusivity period's *continued participation* be measured and/or quantified?
9. What specific outcomes did you expect to see from the delivery exclusivity period?
 - Do you think these outcomes were met? Why is that?

10. In detail, please define what you think a successful delivery exclusivity period would involve.
- To what extent do you think the delivery exclusivity period was successful?
11. Is there anything specific you would have done differently during the delivery exclusivity period?
- Why is this?

Thanks, we're coming to our last set of questions for today.

12. We will be interviewing other former and current Commissioners and the Director of Equity Programming about the delivery exclusivity period. Do you have any additional feedback on the creation, implementation, goals, and/or challenges of the delivery exclusivity period that you think my team should know about?
- Anything else about this topic that we did not get an opportunity to talk about?
 - Are there any questions that you think we should ask that we did not ask during this interview?
13. Do you have any final questions for me or about this project?
- Would it be ok to contact you in the future for follow-up questions or clarifications?

Thank you so much for all your valuable input and if you think of other feedback after today, please do not hesitate to contact me directly. Have a great day.

Appendix B: Focus group guide for EPCO staff

Cannabis Control Commission

Delivery Exclusivity Period Assessment: Phase 2 – EPCO staff focus group guide

Welcome and thank you for joining us today to talk about the Cannabis Control Commission’s social equity program, the delivery exclusivity period, and its impacts on participants. Before we start, I would like to provide some general guidelines and information for this group conversation. Materials that we use from this study will not include any names or other potentially identifying information. We will not be recording this conversation, but our analysts are here to take notes during this conversation. Please keep today’s discussion and the identities of those participating confidential. Do you have any questions before I begin?

[NO RECORDING- BEGIN TAKING NOTES]

- 1) I’ll begin by asking everyone to introduce themselves by BRIEFLY stating your name and your title.
- 2) Please describe the professional work and/or programs you run for the Cannabis Control Commission, and your specific role within each?

Thanks. I’m going to begin our conversation by focusing on the overall mission and logistics of the Commission’s social equity program.

- 3) Could you please describe the stage at which social equity participants begin and end their involvement with the program?
 - a) What specific milestones and criteria must be met and verified before participants start or end their program involvement?
- 4) What are the most important training topics offered to social equity program participants?
 - a) Why are they so important?

I’m going to pivot the conversation slightly and will focus on the social equity program participants and their experiences within the program.

- 5) How much prior business experience do you think the majority of social equity program participants have when they start the program?
 - a) Why do you think this is?
 - b) For those with some business experience: What specific types of business experience do participants have? (probe for: managed a business; owned a business; part of an LLC)
- 6) To what extent has the DE period increased access to and participation in business for SEP participants?

- 7) What do you think are the most important services and programs or stipulations within the cannabis industry that help support and ensure the business success of disproportionately impacted people of color? For clarification, the Commission regulation defines People of Color as: “Black, African American, Hispanic, Latinx, and Indigenous people”.
- 8) Do you think there is a connection between the type of license someone has and their business success and sustainability? Why do you think this is the case?

I'm now going to turn to our final topic for today, which is about assessing the extent to which social equity program participants have been successfully supported.

- 9) To what extent do you think delivery exclusivity participants have had profitable businesses as a result of their participation in the social equity program?
- 10) To what extent do you think delivery exclusivity participants have had profitable businesses as a result of their participation in the delivery exclusivity program?
- 11) To what extent do you think DE/DO participants have had profitable or feasible business during the delivery exclusivity period?
- 12) To what extent do you think the Delivery Exclusivity period's implementation has supported success and sustainability of social equity program businesses?
 - a) Please describe specific examples of how the delivery exclusivity period helps ensure the access and participation of SEP businesses.
 - b) Please describe specific examples of how the program helps ensure the success of SEP businesses.
- 13) Do you think the delivery exclusivity program should be continued and why or why not?
 - a) To what extent do you think this perspective is shared by SEP participants?

We're coming to the end of our time today. Before we conclude, I have one last question for you.

- 14) Is there anything we haven't talked about today that you think is important to include in our study-especially about the social equity program, the delivery exclusivity period, and their impact on participants?

Thank you so much for all your valuable input and if you think of other suggestions after today, please do not hesitate to contact us. Have a great day.

Appendix C: Delivery Exclusivity Working Group

Definition of People of Color

The analysis in this study has used the operationalized definition of People of Color that was developed and approved by the Working Group.⁵⁰ This definition uses the response options provided to agents and to SEP participants in their applications. In both instances, people had the opportunity to enter an additional response under “Some Other Race or Ethnicity”; as noted in the second bullet point, we are asking your team to review those “other” responses and determine whether they meet the operationalized definition. We will provide the referenced draft recategorizations along with the anonymized datasets.

Definition

Individuals are designated as People of Color if they selected one or more of three identities (indicated as 1s in the table below): “Black or African American”, “Hispanic, Latino, or Spanish”, and “American Indian or Alaska Native”. This includes individuals who selected one of these three identities and *additionally* selected any other identities.

- For example, this operationalized definition would include someone who selected “Black or African American” and “Asian”, or who selected “Black or African American” and “White”.
- For individuals who entered an additional response under “Some Other Race or Ethnicity”, UMDI will use the draft recategorizations of responses provided by DEPCO Silea Williams and DGC Michael Baker to determine whether those individuals meet the criteria in the operationalized definition.

0	Asian (Chinese, Filipino, Asian Indian, Vietnamese, Korean, Japanese)
1	Black or African American (of African Descent, African American, Nigerian, Jamaican, Ethiopian, Haitian, Somali)
0	Native Hawaiian or Other Pacific Islander (Native Hawaiian, Samoan, Chamorro, Tongan, Fijian, Marshallese)
1	Hispanic, Latino, or Spanish (Mexican or Mexican American, Puerto Rican, Cuban, Salvadoran, Dominican, Colombian)
0	Middle Eastern or North African (Lebanese, Iranian, Egyptian, Syrian, Moroccan, Algerian)
1	American Indian or Alaska Native
0	White (German, Irish, English, Italian, Polish, French)
[TBD by UMDI]	Some Other Race or Ethnicity
[not included]	Decline to Answer

⁵⁰ Commission regulation speaks to People of Color in the context of diversity plans as “Black, African American, Hispanic, Latinx, and Indigenous people.” Source: 935-CMR-500.101(8)(k).

Appendix D: Regulations, Policies, and Programs Related to the Delivery Exclusivity Period

This appendix provides brief information about the delivery exclusivity policy that was established, and major programmatic- and policy interventions that were made over the course of the three-year period to improve the success of delivery businesses and applicants. Assessing the impacts of these interventions to improve business conditions for delivery exclusivity licensees and applicants was among the specified goals of this research project. We **sought to use quantitative data and qualitative feedback to better understand the impacts these interventions had on delivery licensees and applicants**. Results are discussed in the body of the report.

Delivery Exclusivity and the DE Period

The delivery exclusivity period was established by the Massachusetts Cannabis Control Commission as part of a broader effort to promote equity within the regulated cannabis market. The concept of exclusivity as a tool to address historic inequities and center disproportionately impacted people, has been used in a few other U.S. locations (New York state; Denver, Colorado). It was developed in response to federal government drug policies to reduce the illegal drug trade and related law enforcement⁵¹ which disproportionately harmed some areas through criminalization, over policing, and systemic racism. The primary objective driving the establishment of delivery exclusivity was to create a more equitable industry by offering individuals from these historically harmed communities an exclusive chance to capitalize on this pathway into the cannabis market during this period, without having to compete with other larger and established companies.

The first step in achieving this goal involved the creation of delivery licenses with fewer startup costs and lower barriers to entry. These licenses, including the **delivery courier** and the **delivery operator**, were intended to provide a more accessible entry point compared to more capital-intensive licenses such as retail and cultivation. The lower barriers to entry would also help small businesses enter an industry dominated by large, multi-state operators.⁵² These delivery license types were inspired by delivery service models used in other industries, such as Uber Eats, where drivers deliver goods directly to consumers without the need for a traditional brick and mortar store. Commissioners described the adoption of this model as an aim to make the cannabis industry more accessible to individuals with limited financial resources, particularly those participating in the Social Equity Program (SEP)⁵³ and the Certified Economic Empowerment Priority Applicants (EEA).⁵⁴

⁵¹ <https://drugpolicy.org/drug-war-history/>

⁵² Mass. Marijuana Delivery Rules Get Final Control Commission Approval. NBC Boston. November 30, 2020.

<https://www.nbcboston.com/news/local/mass-marijuana-delivery-rules-get-final-control-commission-approval/2244126/>

⁵³ <https://masscannabiscontrol.com/equity/social-equity-program/>

⁵⁴ <https://masscannabiscontrol.com/equity/eea/>

While home delivery was allowed under the Commonwealth’s medical marijuana program, the first recreational use Massachusetts delivery businesses were launched in July 2021. The exclusivity period began on the date the first delivery operator received a notice to commence operations.⁵⁵ The delivery exclusivity period was set for a three-year period starting on April 1, 2022 and concluding on April 1, 2025. The Cannabis Control Commission (CCC) voted in March 2025 to extend the exclusivity period for another 12 months, until April 1, 2026.⁵⁶

The SEP program

The Commission established a free, statewide training program called the Social Equity Program (SEP) in 2018 to provide technical assistance and training enabling successful participation in the marijuana industry by people disproportionately harmed by the war on drugs. Eligibility for the program can be met by satisfying one of several criteria, generalized as –residency in a disproportionately impacted area; low-income levels; criminal justice-involvement, either individually or of a spouse or child; or originally certified as a Certified Economic Empowerment Priority Applicant.⁵⁷

The free program was designed to create sustainable pathways into the adult-use cannabis industry providing related training, technical assistance and fee waivers in specific areas. The program divides training into four tracks:

- Entrepreneur (those seeking licensure and ownership);
- Core (those interested in cannabis careers at the managerial and executive level);
- Re-Entry and Entry-Level (those re-entering society or those entering the workforce); and
- Ancillary (those with existing skills directly transferable to supporting cannabis businesses).⁵⁸

In May of 2023, in response to participant feedback, the Commission launched new advanced training courses designed to help SEP participants create successful businesses, in the cannabis industry in particular. The free coursework was designed to address the ongoing challenges reported by licensees from the program in creating and maintaining a successful Massachusetts business. The topics included strategies to raise capital; targeting investors; building a sustainable business organization; human resources; and marketing and branding.

⁵⁵ See 935 CMR 500.050(10)(b) and (11)(f).

⁵⁶ Massachusetts Cannabis Control Commission Extends Exclusivity for Delivery Licenses. Cannabis Control Commission Massachusetts. April 1, 2025.

<https://masscannabiscontrol.com/2025/04/massachusetts-cannabis-control-commission-extends-exclusivity-for-delivery-licenses/>

⁵⁷ Getting Started. Cannabis Control Commission website. Accessed September 2025.

<https://masscannabiscontrol.com/equity/getting-started/>

⁵⁸ Cannabis Control Commission Launches First-in-the-Nation Social Equity Program. Cannabis Control Commission. June 28, 2018.

<https://masscannabiscontrol.com/2018/06/cannabis-control-commission-launches-first-in-the-nation-social-equity-program/>

Related regulations, policies and programs

In addition to the programmatic support of the Social Equity Program to improve conditions for employees and business owners in the industry, several additional important policy updates and guidance changes were made over the course of the delivery exclusivity period. These updates were made by the Commission to improve business conditions and ideally improve outcomes for delivery licensees during the delivery exclusivity period. Assessing the impacts of these interventions to improve business conditions for delivery exclusivity licensees and applicants was among the specified goals of this research project. **Table 16** below summarizes the major policy updates and guidance changes that needed to be assessed.

Table 16: Delivery Exclusivity Goals Regulatory Language

<p>“The Commission shall develop criteria for evaluating whether the goals of the exclusivity period are met, which shall include, but not be limited to:</p> <p>g. Any other information the Commission determines relevant”</p> <ol style="list-style-type: none">1) Understand the impact on the industry from the <u>changes to the delivery licenses</u> (e.g. 2 to 1 agents in a vehicle, expanded delivery hours, digitalization of records)2) Examine the effect of the ongoing <u>implementation of the HCA statutory and regulatory amendments</u>3) Examine the effect of <u>cities’ and towns’ bylaws/ordinances</u> derived from Chapter 180 and the corresponding Municipal Equity regulations4) Assess the impact of the creation of the <u>Cannabis Social Equity Trust Fund</u> on Marijuana Establishments

Source: 935-CMR-500.050(10)(b)1a-g

A scan of literature was done to obtain more information on these policy, regulatory, or guidance changes and define specific areas to research. To describe the policy refinements, we examined any related regulatory language using legal research sources (including Westlaw, Cornell Law School’s Legal Information Institute (LII), and the Massachusetts Legislature website). We also scanned material located on the Cannabis Control Commission website to identify key changes in the delivery exclusivity period. In addition to describing the changes in the section below, we used an online survey to obtain feedback from delivery licensees and applicants about these policy refinements and programs. See the section entitled *Policy Impacts* for a summary of feedback from the survey about the policy changes and related impacts.

Changes to delivery license parameters

The first area of inquiry related to policy revisions is **the impact on the industry from the changes to the delivery licenses**. On November 22, 2024, the CCC introduced three major changes regarding the delivery exclusivity program:⁵⁹

- Digitization of Records

⁵⁹ [Cannabis Control Commission Regulatory Reforms to Support Delivery, Testing Transportation, Small Business Expansion, and Patient Access in the Commonwealth are Now in Effect](#)

- Elimination of the Two-Driver Rule (2 to 1 agents in a vehicle)
- Expansion of Delivery Hours

Digitization of Records

While original rules did not allow for electronic transmission for records, the CCC changed its regulations allowing Marijuana Establishments and Medical Marijuana Treatment Centers to utilize and store electronic manifests as opposed to physical ones so as long as they are accessible at any time by registered agents.

“A Marijuana Establishment shall complete a manifest prior to transporting Marijuana or Marijuana Products between Marijuana Establishments or an MTC. A Marijuana Establishment may utilize a physical or electronic manifest during the transportation of Marijuana or Marijuana Products” - CMR 935 500.105 (13)(f)(1). Nov. 22, 2024.⁶⁰

Two Driver Rule

Delivery operators previously were required to have two agents in the car for deliveries, and changes made to this rule reduced the number of staff required for transporting marijuana products to one agent.

“All vehicles transporting Marijuana Products shall be staffed with a minimum of two Marijuana Establishment Agents. At least one agent shall always remain with the vehicle when the vehicle contains Marijuana or Marijuana Products” - CMR 935 500.105 (13)(a)(6). November 22, 2024.⁶¹

Delivery Hours

The CCC also changed regulations by expanding the hours of operation for delivery from the original 9 p.m. to 8 a.m. to 7:00am to 11:00pm. Hours of operation are also determined at the municipal level and these may appear in local bylaws and ordinances.⁶²

“All deliveries shall be completed between 7:00 A.M. to 11:00 P.M. local time. A Host Community may set alternative delivery hours by municipal ordinance or by-law; provided, however, that a municipality shall not set an earlier time to begin deliveries nor set a later time to complete deliveries.” - CMR 935 500.145 (1)(n). November 22, 2024.⁶³

UMDI located the latest regulatory language reflecting the changes implemented in November of 2024, which the Commission summarizes on their website. By utilizing tools like Cornell Law

⁶⁰ [Cannabis Control Commission Regulations, Cornell Law School CMR 935 500.105 \(13\)\(f\)\(1\), Westlaw CMR 935 500.105 \(13\)\(f\)\(1\)](#)

⁶¹ [Cannabis Control Commission Regulations, Cornell Law School 935 500.105 \(13\)\(a\)\(6\), Westlaw CMR 935 500.105 \(13\)\(a\)\(6\)](#)

⁶² [The regulations also show that there are limitations on the time for sales of marijuana and marijuana products \(8am-9pm\) CMR 935 500.141\(4\)\(d\), which is not to be confused with delivery hours as highlighted in CMR 935 500.145 \(1\)\(n\)](#)

⁶³ [Cannabis Control Commission Regulations, Cornell Law School CMR 935 500.145 \(1\)\(n\), Westlaw CMR 935 500.145 \(1\)\(n\)](#)

School and Westlaw’s legal databases, UMDI was able to confirm that some of the regulations have been updated. However, there were discrepancies when it came to what was said through the Commission website and one of the regulations appears to be unchanged in the legal references. Given the need to use multiple sources to identify the most current rules, it may be worth noting that applicants of the delivery exclusivity period may experience similar difficulties navigating the regulations as some sources do not reflect the most recent changes.

Amendments to specify parameters for Host Community Agreements

The second area of inquiry related to policy revisions was to **examine the effect of the ongoing implementation of the HCA statutory and regulatory amendments**. Effective in 2022, 935 CMR 500.180 (Chapter 180) describes the regulatory actions and subsequent amendments which were aimed at fostering a better relationship between host communities and marijuana establishments. The implementation of Chapter 180 covers the following topics:

- Host community agreements
- Review and certification of host community agreements
- Community impact fees
- Waiver of host community agreements

The Commission was granted authority to regulate host community agreements. As stated on the CCC website,⁶⁴ in time, the CCC amended and created regulations that promote equity, which benefitted participants of the delivery exclusivity period. In 2023, after significant public input, Chapter 180 amendments were made to specify the parameters for Host Community Agreements. The amendments included commission oversight of Host Community Agreements (HCAs) and Community Impact Fees (CIFs), municipal equity requirements, suitability reform, and the first-ever designation of social equity businesses for applicants and licensees.

In the Guidance on Community Impact Fees documents,⁶⁵ it states: “A demand of a CIF exceeding 3% of the gross sales of a licensee as a term or condition,” which protects small businesses from host communities initiating difficult fees to afford. Additionally, these provisions help smaller businesses when it comes to transparency between host communities and marijuana establishments. However, it is a requirement that a compliant HCA or HCA waiver must be submitted in order for a license application to be complete (935 CMR 500.180(2)(a)), which may add additional delays or complications for license applicants.

⁶⁴ *Cannabis Control Commission’s Implementation of Chapter 180 Regulations Now Underway*. Cannabis Control Commission website. February 8, 2024. Accessed July, 2025. <https://masscannabiscontrol.com/2024/02/chapter-180-of-the-acts-of-2022/>

⁶⁵ *Guidance on Host Community Agreements*. Cannabis Control Commission. February 2024. <https://masscannabiscontrol.com/wp-content/uploads/2022/01/Guidance-on-Host-Community-Agreements.pdf>

Mandatory local equity provisions

The third area of inquiry related to policy revisions was to note the introduction of **cities' and towns' bylaws/ordinances corresponding to Municipal Equity regulations**. In 2022, the Massachusetts Legislature passed MGLA 94G (3), a general law that enabled cities and towns to impose practical bylaws/ordinances imposed onto marijuana establishments in their municipalities. This law guides the regulations created by the CCC, 935 CMR 500.181.

“A city or town may adopt ordinances and by-laws that impose reasonable safeguards on the operation of marijuana establishments, provided they are not unreasonably impracticable and are not in conflict with this chapter or with regulations made pursuant to this chapter.” - M.G.L.A. 94G § 3(a). Effective since November 9, 2022.⁶⁶

While the law empowers the commission to establish necessary practices for municipalities to encourage full participation in the regulated marijuana industry, the regulations also outline how the CCC would follow the law. The law authorizes the CCC to develop a best practice guide for HCA negotiations between municipalities and license applicants. When it comes to HCA negotiations, the creation of guidance for license applicants aids applicants in achieving better conditions within a municipality. Overall, the creation of HCA negotiation guidance, likely benefits participants in the delivery exclusivity period as they may not have had the necessary resources prior to the creation of the guidance.

The following was created in Chapter 181:

- Equity standards for host communities to promote and encourage full participation in the regulated marijuana industry
- Equity standards for host communities during HCA negotiations with equity parties,
- Equity standards for host communities to positively impact communities that were disproportionately harmed by marijuana prohibition and enforcement

The creation of the guide also established protections for social equity businesses. By providing these additional protections, the commission ensures that barriers aren't imposed that disproportionately affect social equity applicants.

Despite giving host communities time to adopt new rules or bylaws, nowhere in the regulations does it state how the commission plans to enforce host communities to establish these new rules or bylaws. It simply states:

“(d) Host Communities must adopt local rules or bylaws to comply with 935 CMR 500.181(3) on or before May 1, 2024. A Host Community shall submit an attestation in a form and manner determined by the Commission affirming that

⁶⁶ M.G.L.A 94G § 3(a): [Westlaw, MA Legislature](#)

it has adopted local laws to effectuate compliance with 935 CMR 500.181(3) and identifying the specific laws passed. In addition, a Host Community shall submit its equity plan and any other documentation of its compliance with 935 CMR 500.181(3) - 935 CMR 500.181 (3)(d)”

Cannabis Social Equity Trust Fund

A fourth major intervention area, designed to support delivery licensees and applicants, is **the Cannabis Social Equity Trust Fund**. This funding mechanism was established to financially enable applicants for the purpose of encouraging full participation within the state’s regulated marijuana industry, specifically targeting communities that have been disproportionately harmed by past marijuana prohibition.

Cannabis Social Equity Trust Fund was established through M.G.L.A. 94G § 14A and referenced in 935 CMR 500.181, and in the regulations as 400 CMR 8.00. The Cannabis Social Equity Trust Fund (CSETF) is distributed through the Executive Office of Economic Development (EOED). Just recently, on April 16, 2024, Governor Healey awarded over \$2.3 million to be distributed via the CSETF. The CSETF distributed the money to support 50 cannabis businesses in 28 communities.⁶⁷

To apply for grants from the Cannabis Social Equity Fund, applicants select one of the four tiers in their application, depending on eligibility. Applicants received between \$25,000 to \$500,000 depending on the tier grant they applied for, and the eligible business expenses which are as follows:

- Tier 1: Industry Entry Support – Pre-licensed social equity cannabis businesses
- Tier 2: Immediate Needs – Provisional and final licensees needing urgent operational support
- Tier 3: Support for License Acquisition and Commencement of Business Operations – Provisional licensees seeking financial support to commence operations
- Tier 4: Existing Business Growth and Expansion – Operational businesses seeking to improve or expand

The grant covers the following eligible business expenses:

- Immediate needs (rent, payroll, debt service, taxes)
- Professional services (legal, accounting, compliance)
- Facility-related costs (construction, renovations)
- Licensing and regulatory fees
- Business expenses including equipment and supplies
- Business related insurance fees
- Vehicle lease and purchases

⁶⁷ Governor Healey Awards over \$2.3 Million in Funding from the Cannabis Social Equity Trust Fund. Mass.gov website. Accessed August 2025. <https://www.mass.gov/news/governor-healey-awards-over-23-million-in-funding-from-the-cannabis-social-equity-trust-fund>

This concludes our brief reference document describing the delivery exclusivity policy that was established, and the major programmatic- and policy interventions that were made over the course of the three-year delivery exclusivity period to improve the industry success of delivery business licensees and applicants. The study sought to use quantitative data and qualitative feedback to better understand the impacts these interventions had on delivery licensees and applicants and results are discussed in the body of the report.

Appendix E: Commissioner perspectives about measuring success

Perspectives gathered from past and current Commissioners informed our choice of data measures to assess representation and participation in the cannabis industry. Commissioners' observations also provided context and informed our understanding of the quantitative findings in this area.

Rates of Participation

During interviews, Commissioners were asked how they would define and quantify rates of participation regarding the delivery exclusivity period. Many of the Commissioners responded by giving examples of possible measures that could be taken to assess rates of participation, with one commissioner suggesting:

Setting up [a] marker of success is difficult as you open the license type. Were expectations set at the beginning of the process? Did we have something to compare ourselves to? We look at all the folks in SEP, how many chose to pursue which kinds of license types?

Another commissioner admitted that rates of participation are challenging to quantify since the commission had not set up specific ways to measure this concept. Rates of participation need to be based on some number, whether it be the number of applicants or the number of employees for the business. One commissioner said:

It comes down to who's in the queue, what's the level of interest. What's the ability of someone being able to site or open a retail business. Couriers need a retail business. There are aspects out of their level of control.

In the end, the exclusivity program was primarily created to get those interested in entering the industry and gaining a foothold to participate in the market, who have been harmed by the war on drugs.

[There are] 600-716 [licensees] that have [commence operations, those doors are open for business, 82 are SEP/EE. If you add them together, maybe a little bit over 10% because you want to look at the overall ~700 hovering a little above 10% of the total pie.

When asked on how to quantify rates of participation, Commissioners responded similarly saying that measuring participation would require counting the amount of SEP and EEP applicants within the exclusivity period and comparing them to other license types. One commissioner highlighted the need to be proactive in tracking the number of applicants that haven't started the process yet and whether anyone was left behind in the application process.

Continued Participation

“Put cannabis in the Massachusetts landscape, don’t create the Massachusetts landscape for cannabis.” – Former commissioner

When asked to define and quantify continued participation, Commissioners noted the concept of business sustainability. Business sustainability was repeated as necessary for continued participation, because without a sustainable model, a business cannot thrive or continue to operate in the market. On the topic of continued participation, one commissioner said:

In Massachusetts, many businesses are going under at a daily [basis], not just delivery. It has to be viewed in the larger context of the industry.

Another commissioner similarly agrees with the importance of sustainability for continued participation within the industry:

This is really important. If you were able to open shop but you had to close it, you were not successful. If you started the process but could not commence operations, then the policy was not successful.

Continued participation has been difficult for many licensees as mentioned by the Commissioners. Certain policies and regulation changes make navigating the cannabis industry troublesome for participants, and it increases the chances that a business may need to close.

Commissioners were also asked how they would quantify continued participation. One Commissioner suggested looking at the number of customers using delivery as a way of purchasing products, while others suggested collecting data on revenue growth, number of registered agents working for these license types, new licensees coming on board, and existing licensees adding vehicles. A commissioner questioned whether the number of applicants has stayed stagnant, and whether people are moving through the [licensing] process, both as ways of possibly quantifying continued participation. One commissioner talked about how continued participation in the process is like sustainability. The commissioner said:

I think sustainability... maybe 3 years down the road, [will] be financially viable, maybe a target [retention rate] of 60-80%. I think it’s based on judgement to set targets. I’m not smart enough to say what sustainability should be but should be well above 75%.

In the interviews, many of the Commissioners suggested different metrics of sustainability, and they also suggested possible future measurements that could be used to assess continued participation. Considering these conceptual ideas, UMDI used available data to create methods to assess the goals of the exclusivity period as described the legislation.

Business Performance

Commissioners did not agree on how to define business performance as it relates to the exclusivity period. The following are some definitions proposed by Commissioners:

- Growth metrics, gaining/losing employees, assets, and geographic locations of businesses
- Similar to financial feasibility: retaining customer base and retaining business to business relationships

- Cost benefit analysis and a focus on returns on investments

Taken together, Commissioners interpreted business performance through sales, employment, customer base, and return on investment.

Commissioners were also asked about how to quantify business performance. While Commissioners were unable to find common ground in this area as well, some examples of metrics included: analyzing the amount of vehicles owned or operated by a company; and the employees, assets, and the number of towns/geographic areas that the business can deliver to. One Commissioner also suggested looking at the amount of closures or amount of licenses that didn't make it to commence operations stage, and how many had to eventually cease operations because it was no longer beneficial or possible.

Financial Feasibility

Commissioners were also asked to define financial feasibility and how it can be quantified. Financial feasibility for many of the Commissioners is mainly defined by start-up costs and the start-up capital required for the business, as one commissioner says:

I wouldn't say profit; I would say the startup costs. The cost of getting off the ground, the local processes. Cost of getting off the ground is the largest financial barrier.

Financial feasibility isn't necessarily about the profits, but more so on the costs of starting the company, for example: licensing fees, return on investment, paying staff, buying equipment, and security requirements. The 2-driver rule was noted as especially burdensome for many participants with respect to financial feasibility.

Overall, there was unanimity among Commissioners about financial feasibility, as many defined the concept as the start-up costs and financial burdens that inhibit the growth or inception of businesses with an exclusivity license.

Commissioners answered differently about what the CCC currently does to quantify financial feasibility and offered varied suggestions for what can be done in the future. One Commissioner said the Commission can request financial data to evaluate where businesses are accruing debt. The Commission also collects data on sales and revenue which is used to influence regulation changes and briefs; however, one commissioner mentioned that the Commission lacks data on licenses as a whole and a breakdown on license holders' sales and revenue, especially courier or delivery operator licensees. One Commissioner suggested:

Measuring how long the business could actually survive-how to prove that with numbers? What's the return on investment? Does the business show long-term financial feasibility for success?

The Commission collects some data regarding financial feasibility, but Commissioners cited lack of data concerning return on investments and business sustainability as inhibitors to guide regulation reform.

Appendix F: Methodology

Qualitative Methodology

Interviews with past and current Cannabis Control Commissioners

To help better understand the main program goals, challenges and benefits of the delivery exclusivity period, UMDI conducted a total of seven one on one interviews with past and current Cannabis Control Commissioners for this study. Interview data provides a unique and illustrative viewpoint of the specific perspectives that founding and current Cannabis Control Commissioners have towards the implementation, and overall success of the delivery exclusivity period.

For this qualitative methodological approach, all seven participants were identified for interviews by members of the current Cannabis Control Commission. Participants were contacted by an administrator from the Commission, who scheduled all meeting times with members of the UMDI team virtually over Microsoft Teams. Interviews lasted a maximum duration of 45 minutes. Following policy by the Commission, no interview video or audio recordings took place from these discussions. In addition to the lead facilitator, interviews included 1-2 additional members of the research team who attended to take notes during the conversation.

Interview questions were designed to better understand the participants' perspectives towards what the main objectives for the delivery exclusivity period were, as well as examine related challenges and successes of this period. See Appendix A in this report for the full set of interview questions.

Using researcher notes taken during each interview, the data was then coded thematically for data analysis and integration within the report's central topics. No names or official titles of any participant are included in this report, to maintain participant confidentiality.

Interviews with Social Equity Program staff

Additional qualitative information was collected through a focus group conducted in early September 2025 with Commission staff involved in running the Social Equity Program (SEP).

In September 2025, the Donahue Institute facilitated a focus group with current EPCO staff at the Cannabis Control Commission. EPCO staff members were identified and introduced to the UMDI team by an administrator of the CCC. For ease of participation, this focus group interview took place virtually over Microsoft Teams, which was scheduled by an administrator of the Commission.

Conducting a focus group discussion with EPCO staff allowed UMDI to include direct input of the individuals working within the CCC's Social Equity Program and better understand the staff's thoughts towards the delivery exclusivity period, and its impacts on participants. All participants were guaranteed confidentiality, allowing them to speak freely.

Interview questions were designed to better understand EPCO staff perspectives towards the main objectives for the Social Equity Program, the delivery exclusivity period, as well as examine related challenges and successes of both topics. See **Appendix B** for the full set of focus group interview questions. Perspectives from the focus group helped to inform data collection priorities and shaped the research methods used to assess the exclusivity period. The discussion also provided qualitative data for questions that could not be answered through quantitative data alone.

Survey of Delivery Licensees and Applicants

In collaboration with the CCC, UMDI designed a survey of delivery exclusivity license applicants and business operators. The team created a short web-based survey to better understand licensee and applicant experiences as participants of the delivery exclusivity period. The survey was designed specifically to elicit answers that speak to the goals outlined by the regulation. Questions for delivery exclusivity participants who are already in operation touched on business feasibility and sustainability, start-up costs, barriers to success, and policy impacts. Questions for delivery exclusivity applicants touched on the process of acquiring a license, barriers involved with acquiring a license, and improvements to the application process. Both operators and applicants who responded to the survey were asked questions about experiences with and benefits of the delivery exclusivity period as well as experiences with and benefits of the Social Equity Trust Fund.

Table 17: Survey Responses by DE Filter

DE Applicant or Operator	Count	Share
Yes	57	69%
No	26	31%
Total	83	100%

Respondents who answered “No” when asked whether they were applying for or currently operating a delivery exclusivity license were directed out of the survey. An additional 10 respondents who indicated being a DE applicant chose “None of the above” for an application type and were directed out of the survey. An additional 2 operators of non-delivery businesses indicated “None of the above” as their application type and were directed out of the survey. As a result, there are 45 complete responses, and the total N for the survey is therefore 45.

Table 18: Responses by License Type and Commence Operations Status

License Type by Operation Status	Count	Share
Operator	20	100%
Courier Only	6	30%
Delivery Operator only	4	20%
Other business with or applying for Courier License or Delivery Endorsement	10	50%
Applicant	25	100%
Courier and Delivery Operator	9	36%
Courier Only	2	8%
Delivery Operator only	10	40%
Other business with or applying for Courier License or Delivery Endorsement	4	16%
Total	45	100%

A copy of the survey instrument, including all questions and diagrams showing conditional flow, is provided with this report as a separate document entitled *Attachment 3: Survey of Delivery Licensees and Applicants*.

Analysis of Public Comments and Public Meeting Feedback

An additional source of data for this study was comprised of feedback submitted during the public comment period opened by the Massachusetts Cannabis Control Commission regarding the delivery exclusivity period. As part of the content review in Phase I of this project, UMDI designed a plan for the analysis of public feedback about the delivery exclusivity period provided to the Commission in late 2024. UMDI shared the plan with Cannabis Control Commission Research Department staff, who conducted the analysis of various forms of written feedback.

The written feedback that was analyzed, submitted through letters and emails, came from key stakeholders with direct experience with the delivery exclusivity period. Those offering written comment during the period included social equity business owners, equity advocacy organizations, and cannabis industry organizations. An additional source of feedback came from statements made at public meetings which provided additional opportunities for public comment on delivery exclusivity.

A thematic analysis of the source documents was conducted. Commission research staff provided a comprehensive qualitative analysis of seventy-four Commission documents containing public feedback and meeting minutes regarding the delivery exclusivity period. The analysis examined stakeholder perspectives on two independent dimensions: (1) support for the concept of delivery exclusivity licenses reserved for social equity participants, and (2) support for extending or maintaining the current two-year exclusivity period. The key findings from the

analysis were in four areas and are discussed in depth in a separate technical report which will be submitted with this report.⁶⁸

Quantitative Methodology

UMDI utilized the statistical analysis software R to assess Goals A through G using quantitative data from the CCC, the Massachusetts Executive Office of Economic Development, and from external sources for benchmarking. Data from CCC was anonymized by Commission staff before use by UMDI. Publicly available CCC data was also downloaded and used by UMDI for minor portions of this analysis, including during the assessment of the Cannabis Social Equity Trust Fund and in analyzing the change in price of marijuana.

CCC Open Data Catalog

The Commission maintains public-facing datasets available for download through their Data Catalog website.⁶⁹ The *Marijuana Establishment License and Applications* dataset contains descriptive information on the complete list of all licensees. This dataset is used multiple times to construct data metrics for Goals A-G.

Useful variables available through the *Marijuana Establishment License and Applications* dataset include:

- *Employer Identification Number (EIN)*: the dataset includes several identification variables that will allow UMDI to merge several datasets together, including internal datasets obtained through the data sharing agreement. For instance, a company's EIN can be used to match employees to the company and create metrics such as sales per employee. License number is another field useful for matching records across databases. SEP and EEP applicants must supply an identification number associated with their SEP or EEP status; this number is useful as well as a connector across datasets.
- *License type*: such as marijuana delivery operator or courier, this allows the analysis to break down summary statistics for establishments that participate in delivery exclusivity against those that do not participate.
- *Applicant classification*: i.e. whether the applicant is a Social Equity Participant, Economic Empowerment Participant, or a Disadvantaged Business Enterprise owner. This variable allows for counts of licensees by classification type.
- *Business address of the license applicant*: This allows for analysis of businesses operating in disproportionately impacted communities.
- *Application approval steps and dates*: This dataset includes data on the current stage of the approval process a license application is in, i.e. In Process, Approved, Commence Operations, etc. This dataset also includes the dates through which the license applicant progresses through the approval process. This allows for analysis of the application

⁶⁸ Qualitative Analysis of Public Feedback on Cannabis Delivery Exclusivity Policy. Cannabis Control Commission. November 2025.

⁶⁹ Commonwealth of Massachusetts Cannabis Control Commission, *Data Catalog*. <https://masscannabiscontrol.com/open-data/data-catalog/>. Accessed July 9, 2025.

pipeline, as well as understanding how many businesses are in the Commence Operations stage, a potential metric for financial feasibility.

CCC Internal Datasets

Several datasets were provided by Commission staff from internal CCC databases. These include:

- *Sales transactions data*: UMDI will aggregate sales data to the license-type level. This data is tracked in METRIC, and so is not publicly available and is provided by CCC staff. The data consists of a full 3 year time-series at the transaction-level and includes the entire universe of licensees. Measures of interest from this data include: sales; total taxes; deliveries; originator of sales; date/time of sales; and to-from zip codes.
- *Agent-level data*: as opposed to other datasets, including publicly available datasets, which are at the license-level, this data includes fields at the agent, or individual level, such as employees, social equity participants, and license holders. Measures include: Individual Identification Number (IIN); license types; roles (employment titles); SEP/EEP participation; zip code of home address; and other measures in the database.
- *SEP applicant data*: this data includes information from participants in SEP Cohorts I-III.

External Datasets

Massachusetts Executive Office of Labor and Workforce Development: ES-202

The Massachusetts Department of Economic Research produces annual counts of establishments, most recently for 2024 through its Municipal Employment and Wages Data product.⁷⁰ The ES-202 product is also available by NAICS industry. This dataset is used to compute the denominator of the Goal A participation rate; the proportion of licenses located within Areas of Disproportionate Impact is benchmarked to the proportion of retail establishments located within Areas of Disproportionate Impact. If licenses are equally as likely to be located in DIAs as compared to all retail establishments, the participation rate will be equal to one. If licenses are less likely to be located in DIAs, the participation rate will be between zero and one. If licenses are more likely to be located in DIAs, the participation rate will be greater than one.

U.S. Census Annual Business Survey Nonemployer Statistics

Business owner counts are available through the U.S. Census Annual Business Survey. Nonemployer Statistics (which provides data on both employer and nonemployer businesses). These statistics are available by county and by race and ethnicity and allow for comparison against CCC data for the assessment of Goal B.

⁷⁰ <https://lmi.dua.eol.mass.gov/lmi/MunicipalEmploymentData%2FTown202Data>

U.S. Census Population Estimates

The U.S. Census produces population counts for the intercensal years (the years between Decennial Censuses, i.e. between 2020 and 2030), including at the county level. This data is used to benchmark the number of licenses to the regional population.

Appendix G: Survey Responses Related to the Delivery Exclusivity Period

All survey respondents were asked a series of direct questions about their perceptions of the delivery exclusivity period. While these are valuable insights considered in our conclusions and recommendations, they pertain to the overarching research question and not an individual assessment goal. Therefore, the goal of this section is to provide a summary of these questions and responses from survey respondents.

Summary

The majority of respondents reported that the existence of the DE period either influenced or greatly influenced their decision to open a cannabis business (80%), and the overwhelming majority of respondents, applicants and operators, felt as if the DE period should be extended (87%), with only 11 percent of respondents disagreeing or feeling neutral about an extension. For those with a non-delivery license type, most felt as if the DE period enhanced the success of their current business (39%). For those who want the DE period to be extended, the primary reason was because the initial exclusionary period did not allow time for the first entrants into the market to flourish.

Respondents felt that the aspects of the DE period that have had the greatest impact on their businesses sustainability and feasibility was the opportunity to get a head start in building their business, the capital available through the cannabis social equity trust fund, and the ability to open a business with lower startup costs. Regarding owning and operating a cannabis business, respondents wanted to share sentiments of how difficult the conditions of the cannabis industry are, though positive sentiments shared were the most highly reported, as respondents wanted to highlight the positive role of the cannabis industry on the local economy.

Results and Analysis

Table 19: Q. To what degree did the existence of the delivery exclusivity period influence your decision to open a cannabis business?

License type	Not at all influenced		Somewhat influenced		Neutral		Influenced		Greatly influenced		Total
Courier and delivery operator	1	11%	1	11%	1	11%	2	22%	4	44%	9
Courier only		0%		0%		0%	3	38%	5	63%	8
Delivery operator only		0%	1	7%		0%	1	7%	12	86%	14
Other business with or applying for courier license or delivery endorsement	2	14%	2	14%	1	7%	2	14%	7	50%	14
Total	3	7%	4	9%	2	4%	8	18%	28	62%	45

The majority of respondents reported that the existence of the DE period greatly influenced their decision to open a cannabis business (62%), 80 percent indicated either influence or great influence

Table 20: Q. If you operate with non-delivery type licenses, has the delivery exclusivity period enhanced the success of your current operations?

License type	Yes		No		I am not currently operating a non-delivery type license		Total
Courier only	3	50%	0	0%	3	50%	6
Delivery operator only		0%		0%	4	100%	4
Other business with or applying for courier license or delivery endorsement	4	50%	3	38%	1	13%	8
Total	7	39%	3	17%	8	44%	18

For those with a non-delivery license type, most felt as if the DE period enhanced the success of their current business

Table 21: Q. Agree or Disagree: The delivery exclusivity period should be extended.

License Type	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total
Courier and Delivery Operator	0	0%	2	22%	1	11%	0	0%	6	67%	9
Courier Only	0	0%	0	0%	0	0%	1	13%	7	88%	8
Delivery Operator only	0	0%	0	0%	0	0%	0	0%	14	100%	14
Other business with or applying for Courier License or Delivery Endorsement	2	14%	0	0%	0	0%	0	0%	12	86%	14
Total	2	4%	2	4%	1	2%	1	2%	39	87%	45

The overwhelming majority of respondents, applicants and operators, felt as if the DE period should be extended (87%), with only 11 percent of respondents disagreeing or feeling neutral about an extension

Table 22: Q. What is the primary reason the delivery exclusivity period should be extended?

Primary reasons for extending DE period	Courier and Delivery Operator	Courier Only	Delivery Operator only	Other*	Total
The initial exclusionary period did not allow time for the first entrants into the market to flourish	5	4	10	7	26
MSOs would take over the market and push DE operators out	1	3	5	1	10
Two-driver rule was especially burdensome and businesses have not had enough time to capitalize on this change	1	1	3	3	8
The original goal of the delivery operator and courier license being reserved exclusively for social equity applicants has not been achieved	1		5	1	7
Challenges with accessing capital have prevented delivery operators from benefitting from the exclusivity period	1		4		5
Ending the exclusivity period will negatively impact on building equity in minority communities that were disenfranchised and marginalized	3			2	5
Have not received CSETF grant funding yet	1		3	1	5
HCA agreement processes have severely shortened the time left in the exclusionary period for businesses to capitalize	1		1	1	3
SE and EE operators would otherwise have no chance to compete with other, larger operations for other license types	1			2	3
It will continue to allow for opportunity without the industry cannibalizing opportunities for licensing			1	1	2
Exclusivity period limits ability to sell business	1				1
Exclusivity period limits potential partners and investors				1	1
Vertically integrated RMDs and MTCs			1		1

*Other = Other business with or applying for Courier License or Delivery Endorsement

For those who want the DE period to be extended, the primary reason was because the initial exclusionary period did not allow time for the first entrants into the market to flourish. Other concerns included MSOs taking over the market and pushing DE operators out, not having time to capitalize on the opportunity after the two-driver rule was removed, and those who felt the original goal of the delivery operator and courier license being reserved exclusively for social equity applicants has not been achieved.

Table 23: Q. What aspects of the delivery exclusivity period have had or do you expect to have the greatest impact on your business's feasibility and sustainability?

DE aspects impacting businesses	Courier and Delivery Operator	Courier Only	Delivery Operator only	Other business with or applying for Courier License or Delivery Endorsement	Total
A head start in building my business	4	5	6	10	25
Capital available through the cannabis social equity trust fund	1	6	9	7	23
Can open a business with lower startup costs	2	4	3	4	13
Training, technical assistance, and support from the SEP program	1	3	1	5	10
Having a peer group and network in the industry across the state		3	2	3	8
Ongoing support from the SEP program		4		3	7
Potential to sell my business later	1	2			3

Other write in responses include: job creation for Minority Business Entity entrepreneur; creates a stable service industry within the industry; exclusivity creates opportunity to be in an industry that you wouldn't be in if not for exclusivity.

Respondents felt that the aspects of the DE period that have had the greatest impact on their businesses sustainability and feasibility was the opportunity to get a head start in building their business, the capital available through the cannabis social equity trust fund, and the ability to open a business with lower startup costs.

Unfortunately, most respondents who are going through or who have gone through the licensing process did not feel their business model was sustainable or feasible, do not have the funds to support it, and felt start-up costs were unexpectedly high.

Table 24: Q. Are there any other comments you'd like to leave regarding owning and operating a cannabis business?

Comments	Courier and Delivery Operator	Courier Only	Delivery Operator only	Other business with or applying for Courier License or Delivery Endorsement	Total
Difficult economic conditions of cannabis industry	2	2	3	1	8
Burdensome regulatory environment	0	2	4	2	8
Extending DE period	1	1	2	3	7
Positive role of cannabis industry on local economy	2	4	1	2	9
Better support from CCC	1	0	3	1	5
High licensing fees	0	1	1	0	2

Regarding owning and operating a cannabis business, respondents wanted to share sentiments of how difficult the conditions of the cannabis industry are, related to burdensome regulatory environment, the impending end of the delivery exclusivity period, lacking support from the CCC and high licensing fees. Positive sentiments shared were the most highly reported however, as respondents wanted to highlight the positive role of the cannabis industry on the local economy.

Regarding owning and operating a cannabis business, respondents wanted to share sentiments of how difficult the conditions of the cannabis industry are, though positive sentiments shared were the most highly reported, as respondents wanted to highlight the positive role of the cannabis industry on the local economy.