

Virgin Islands Opens Applications for Cannabis Business Licenses

U.S. Virgin Islands Open Cannabis Business Licensing Nearly Three Years After Legalization

Regulators Begin Accepting Manufacturing Applications as Industry Framework Takes Shape

CROIX, U.S. Virgin Islands — Nearly three years after approving adult-use cannabis, the U.S. Virgin Islands (USVI) has begun officially issuing business licenses and accepting new applications, marking a major milestone for the territory's emerging cannabis industry.

The Office of Cannabis Regulation (OCR) announced that it is now accepting applications for cannabis manufacturing licenses, inviting qualified entrepreneurs to participate in one of the region's most anticipated business sectors. The move comes after years of policy planning, community hearings, and administrative delays since adult-use cannabis was legalized in January 2023.

Applicants for the newly available manufacturing licenses must submit completed applications and a \$5,000 fee by December 19 to be considered in the initial review cycle. Regulators say the licensing process will continue in phases, with cultivation, retail, and ancillary service applications reviewed on a rolling basis as the industry matures.

Thirteen Cultivation Licenses Issued Across St. Croix, St. John, and St. Thomas

Last week, OCR confirmed the issuance of 13 cultivation licenses distributed across the three main islands St. Croix, St. John, and St. Thomas. The recipients represent the first official cannabis cultivators approved under the Virgin Islands' adult-use framework.

This rollout is part of a larger effort to balance economic development with local equity goals. The newly licensed cultivators are expected to begin operations under strict regulatory oversight, focusing on sustainable growing practices and compliance with public health and safety standards.

According to the OCR, additional applications for dispensary licenses are currently under review, with final approvals expected in the coming months. Regulators emphasized that the program is designed to prioritize transparency and fair competition while ensuring that Virgin Islanders benefit directly from the new market.

Eligibility Rules Favor Long-Term Virgin Islands Residents and Local Graduates

The Virgin Islands' cannabis program includes strong local ownership requirements, designed to prevent outside corporate domination and to empower residents with long-standing community ties.

According to guidance from Vicente LLP, a Denver-based law firm specializing in cannabis regulation, applicants for all cannabis licenses (except micro-cultivators) must be majority owned by individuals who meet at least one of the following residency or educational criteria:

- Have lived in the U.S. Virgin Islands for at least 10 of the past 15 years.
- Have attended school in the Virgin Islands for a minimum of five years, or have graduated from a Virgin Islands high school or the University of the Virgin Islands, and are registered to vote in the territory.
- Were temporarily displaced from the Virgin Islands due to a natural disaster but would have otherwise qualified for local high school graduation.

These stipulations are part of a broader effort to ensure economic reinvestment in local communities and to build an inclusive industry that reflects the Virgin Islands' cultural and social fabric.

A Gradual Journey from Legalization to Licensing

The legalization of adult-use cannabis in the U.S. Virgin Islands traces back to January 2023, when Governor Albert Bryan Jr. signed comprehensive legislation allowing regulated production, sale, and use of cannabis by adults aged 21 and older.

That landmark move followed nearly a decade of public debate. Medical marijuana had already been approved by voters in a 2014 referendum, but implementation was slow, hindered by administrative hurdles, changing political priorities, and the complexities of crafting regulatory frameworks consistent with U.S. federal law.

By 2023, the government had not only legalized adult-use cannabis but also set forth a roadmap that would merge medical and recreational systems into a unified market. The goal: to stimulate economic growth, reduce illegal sales, and fund social equity programs through tax revenue generated from the new industry.

Office of Cannabis Regulation Takes the Lead on Industry Oversight

The Office of Cannabis Regulation (OCR), a division under the Virgin Islands Department of Licensing and Consumer Affairs, has been tasked with overseeing every aspect of the emerging cannabis market — from licensing and testing to enforcement and compliance.

OCR officials say that their phased rollout is intentional. By staggering the approval of license categories: cultivation, manufacturing, retail, distribution, and testing. They aim to ensure both regulatory stability and adequate market demand.

Manufacturing licenses, currently open for application, cover activities such as:

- Cannabis extraction and concentrate production.
- Edible and infused product manufacturing.
- Packaging, labeling, and product safety testing.

Successful applicants will be required to meet stringent product safety standards, environmental regulations, and record-keeping requirements similar to those in mainland states like Colorado and California.

A Step Toward Economic Diversification and Local Empowerment

For the Virgin Islands, the cannabis industry represents an opportunity to diversify the economy, which traditionally relies on tourism and rum production. The local government hopes that regulated cannabis will

create new revenue streams, job opportunities, and investment in agriculture and small business infrastructure

In particular, local entrepreneurs, farmers, and small manufacturers see the cannabis sector as a way to stimulate economic resilience, especially after years of recovery from hurricanes and pandemic-related disruptions.

The inclusion of local residency requirements is also viewed as a safeguard to prevent external corporations from monopolizing licenses and driving out homegrown operators. In this sense, the Virgin Islands' approach mirrors policies in other U.S. territories such as Guam and Puerto Rico, which have sought to build cannabis economies rooted in community participation.

U.S. Territories Join a Growing Wave of Cannabis Reform

With the Virgin Islands' program now officially underway, the territory joins Guam and Puerto Rico as U.S. territories with legalized cannabis frameworks. Guam legalized adult-use cannabis in 2019, while Puerto Rico maintains a robust medical marijuana system that continues to expand.

These developments align with a broader shift in U.S. cannabis policy, where states and territories are increasingly moving forward despite federal prohibition. For the Virgin Islands, success will depend on navigating logistical challenges such as banking access, interstate commerce restrictions, and taxation under federal law.

Building a Sustainable and Inclusive Cannabis Market

The coming months will test how effectively the Virgin Islands can balance growth, regulation, and community benefit. Regulators have pledged to implement ongoing public education campaigns, compliance monitoring, and support services for small license holders.

With applications now open for manufacturing and more dispensary approvals on the horizon, the territory appears poised to move from policy to practice. The OCR has stated that maintaining transparency and accountability will be key to building public trust in the new market.

As the December 19 deadline approaches, interest is expected to surge among local entrepreneurs seeking to be part of the territory's first wave of cannabis manufacturers. If managed effectively, this phase could mark the beginning of a self-sustaining, locally driven cannabis economy that supports both innovation and community well-being.

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