USVI BUREAU OF ECONOMIC RESEARCH

Presented by:

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USVI TRADE & AGRICULTURE

Technical Session II - VI Agricultural Caribbean Conference

Context and Overview of USVI Agricultural Trade

Agriculture Is Strategic to the Wellbeing of the USVI

Agriculture Plan linked to VISION 2040

- Increase agricultural products by 2% annually
- Expand farming acreage by 2% annually
- Increase licensed farmers and home gardeners by 5% annually
- Reduce food imports by 2% annually

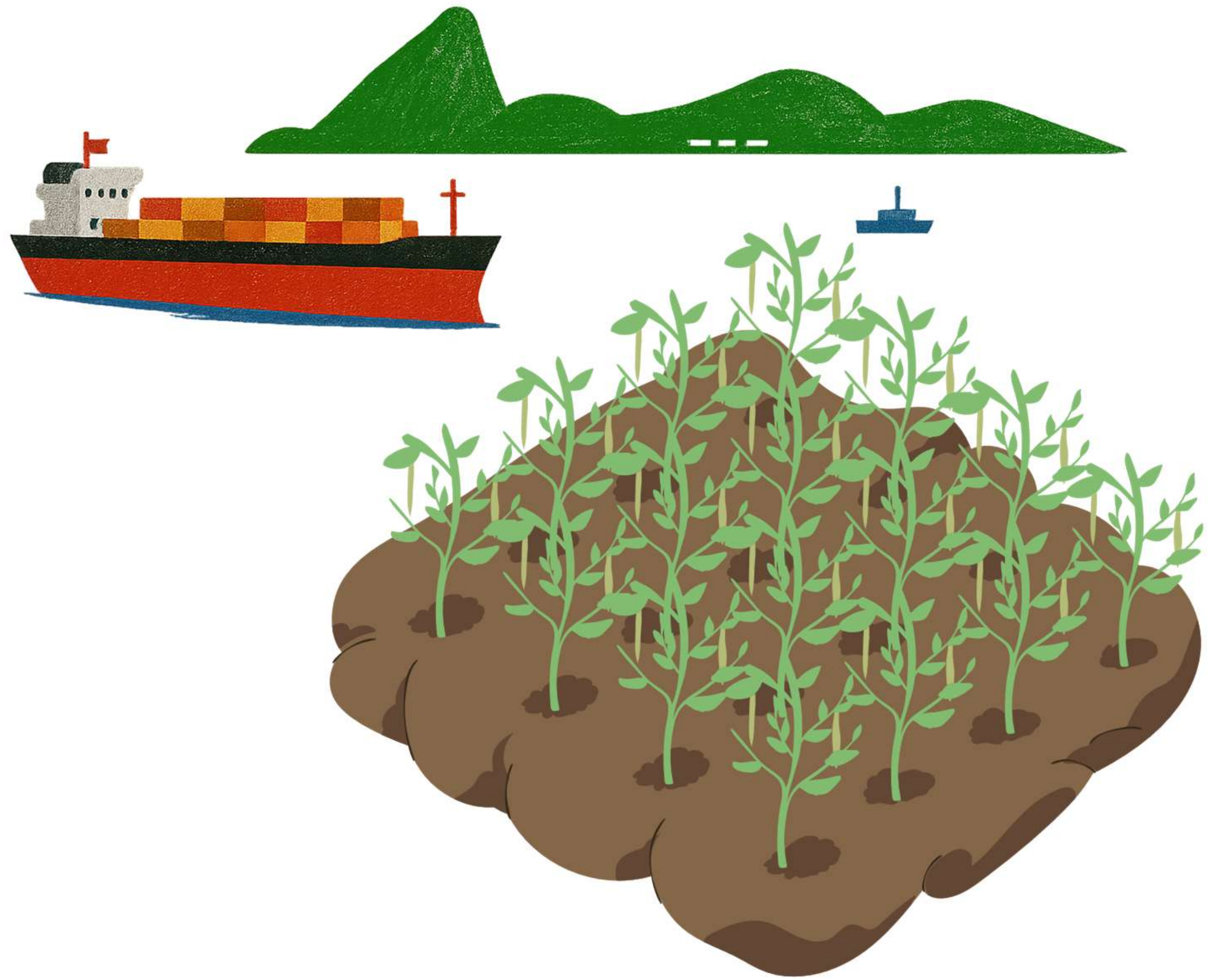
- **Local Food and Farm Council (LFFV)** $500K; $1M

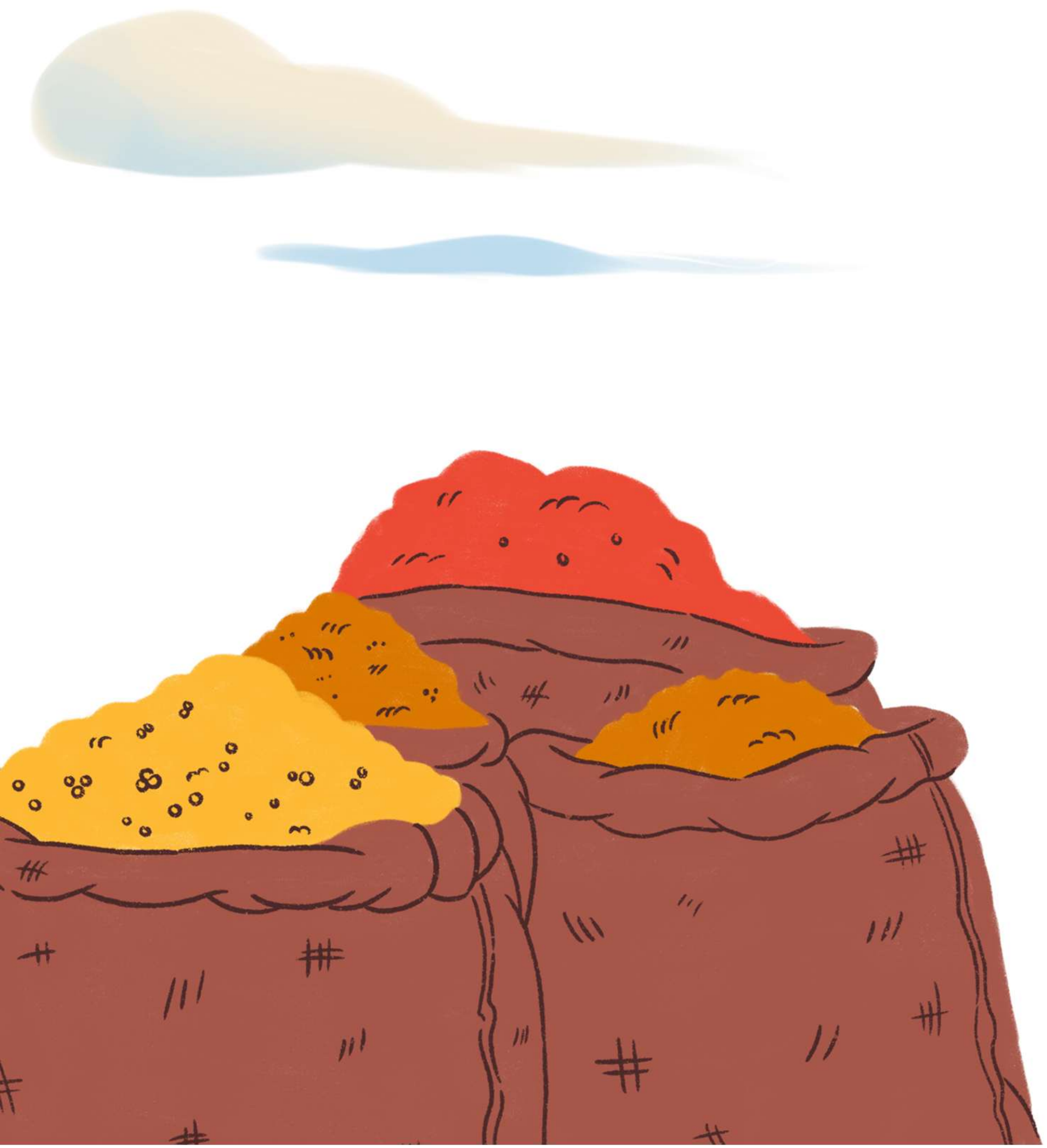
- **EDC Benefits/Incentives for Agricultural Production** (Categories I and II)
  - Up to 90% reduction on corporate and personal income
  - 100% exemption on excise, gross receipts, and property taxes
  - Custom duties reduction from standard 6% to 1%

Grassroots and Advocacy Programs

- **Grassroots and Advocacy Programs**
  - –V.I. Good Food Coalition
  - –Seeds of Security
  - –Sejah Farm V.I.
  - –Backyard Farmer Development

- **University of the Virgin Islands** (UVI)
  - –School of Agriculture
  - –Certificate, Associate, and Bachelor





Structure of Agricultural Imports and Exports in the USVI

Heavy Reliance on Food Imports
USVI imports 90–95% of all food consumed locally due to geographic and economic constraints.

Minimal Agricultural Exports
Local agricultural production in USVI generates $4–5 million annually, mostly consumed domestically.

Agricultural Trade Deficit Risks
USVI's trade deficit creates vulnerability to external shocks like shipping disruptions and food inflation.

Tourism's Impact on Food Demand
Tourism drives high, year-round demand for imported food through hotels and restaurants.

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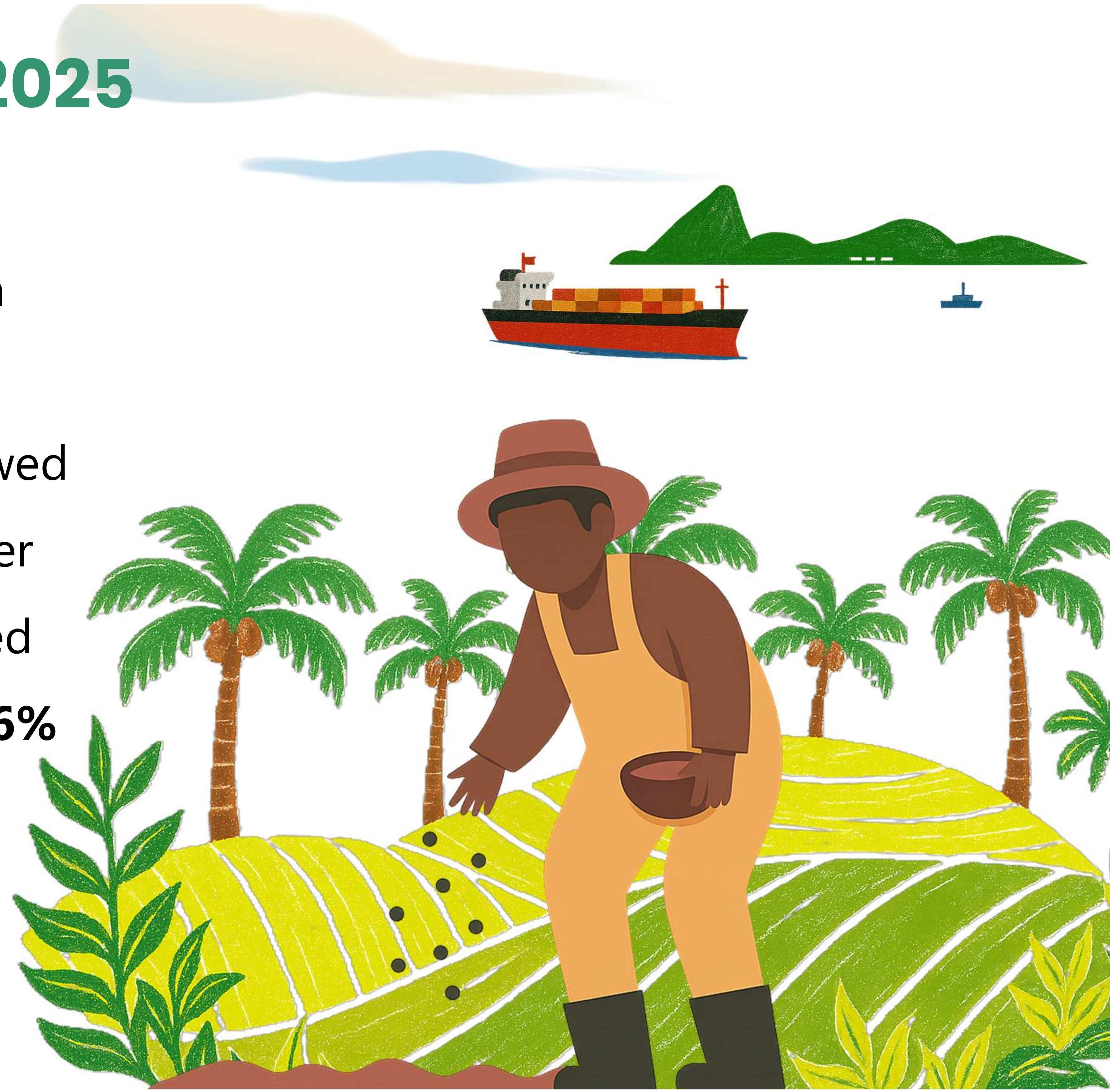
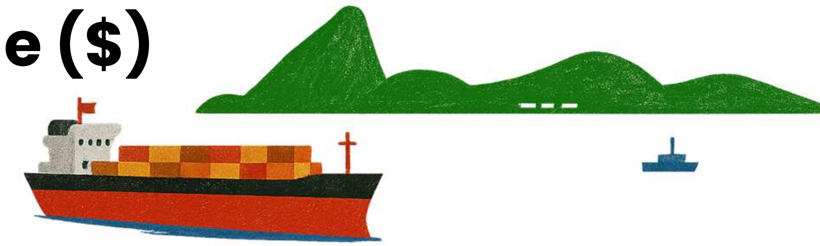
USVI Total Food Imports Data & Trends

Food Imports 2023 TO 2025

Food imports increased from **$148.3 million in 2023** to **$168.4 million in 2025**. Food imports grew by **9.2%** between 2023 and 2024. Growth slowed to **4.1%** between 2024 and 2025. Over the full period, food imports increased by **$20.2 million**, representing a **13.6% increase** from 2023 to 2025.



Food Imports as a Percentage of Total U.S. Virgin Islands Imports Value ($)

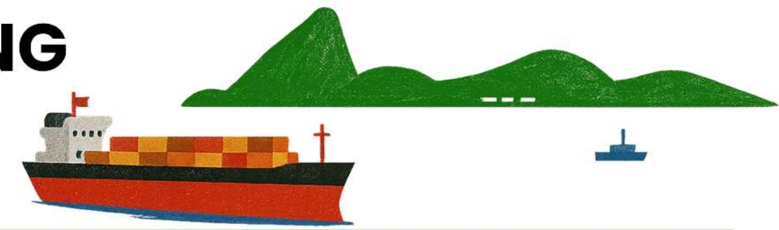


Year	Food Imports ($)	Total Imports ($)	Food Imports as % of Total Imports
2023	$148,261,252	$4,063,564,822	3.65%
2024	$161,842,416	$3,572,756,045	4.53%
2025	$168,418,085	$3,546,731,453	**4.75%**

Using the 2025 Category Total values and the Total Food Imports = $164,998,009, each category's share of total imports is:

Food Category	2025 Category Total	% of Total Food Imports
Proteins	$59,398,283	**36.00%**
Fruits & Vegetables	$15,671,567	**9.50%**
Dairy	$11,261,005	**6.82%**
Starch	$3,498,920	**2.12%**
Beverages	$56,729,149	**34.38%**
Sweeteners	$18,439,085	**11.18%**

ANNUAL FOOD IMPORT TOTALS BASED ON BER REPORTING



Indicator	Estimated Annual Value (USD)	Notes
Total Food Imports	$250M–$350M	Varies with tourism and global prices
Local Agricultural Sales	$4M–$5M	Mostly consumed domestically
Food Import Share of Consumption	90–95%	BER and policy estimates
Agricultural Exports	Minimal	No significant export markets

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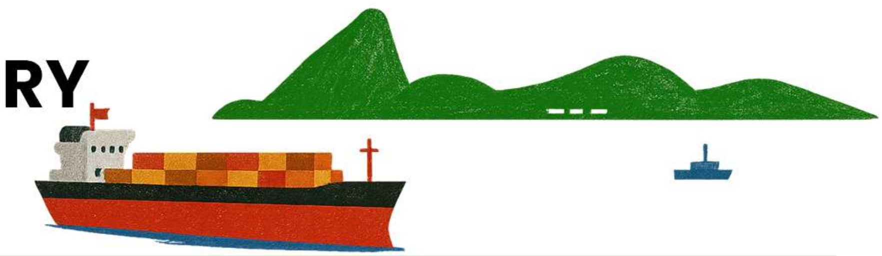
Food Import Dollar Values by Category

BREAKDOWN OF FOOD IMPORTS BY MAJOR CATEGORY



Food Category	Estimated Annual Imports (USD)	Import Dependence
Meat & Poultry	$60M–$90M	Very High
Cereals & Grains	$50M–$80M	Nearly 100%
Dairy Products	$40M–$60M	Nearly 100%
Fruits & Vegetables	$50M–$70M	High

Agricultural Trade Balance

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NET TRADE DEFICIT IN AGRICULTURE

Agricultural Trade Imbalance

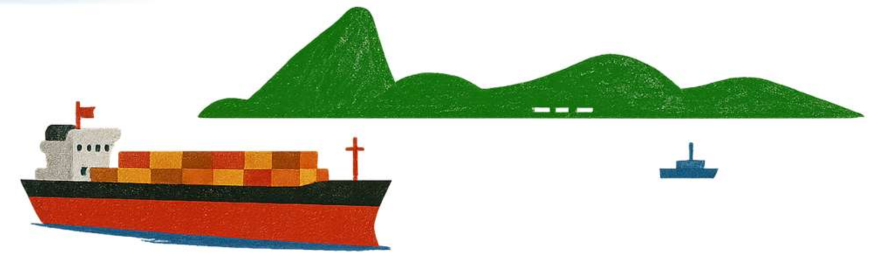
High import values and minimal agricultural exports cause a significant negative trade balance in the U.S. Virgin Islands.

Economic and Security Risks

The trade deficit reduces local money circulation and increases risks from exchange rate volatility and food security issues.

Policy and Local Production

Strategic reduction in reliance on high-value imports could retain millions locally and strengthen agricultural reinvestment.



Key Insights & Policy Implications

Key Insights and Policy Implications

Structural Vulnerability of Import Dependence

USVI relies heavily on food imports, risking economic leakage and increased living costs due to global shocks.

Opportunity to Boost Local Agriculture

Redirecting food spending to local producers could significantly expand the agricultural sector in USVI.

Policy Strategy and Investments

Focus on controlled-environment agriculture, livestock development, cold storage, and institutional procurement linkages.

Benchmarking Policy Success

BER dollar values help track reductions in imports and growth in local food sales over time.

CROP PRODUCTION

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SUSTAINABLE AGRICULTURE

- Reduce chemical use
- Organic farming
- Soil conservation
- Water efficiency

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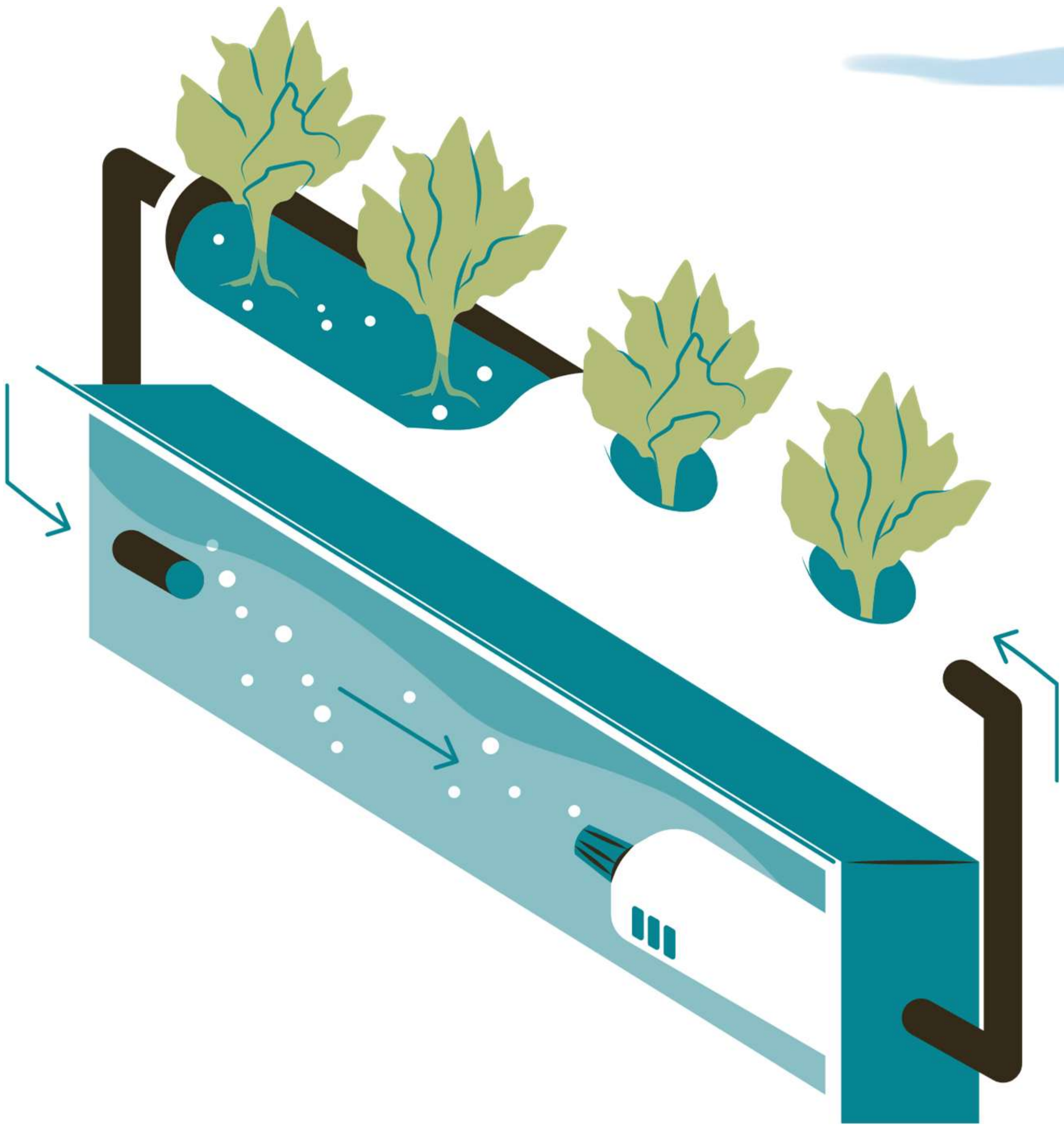
CLIMATE CHANGE & AGRICULTURE

- Impact: drought, floods, pests
- Need for climate-resilient crops
- Risk management

Key Impacts on Agriculture

- **Rising Temperatures**
  - Heat stress reduces crop yields and livestock productivity
- **Irregular Rainfall**
  - Droughts limit water availability for irrigation
  - Heavy rains increase flooding and soil erosion
- **Stronger Hurricanes**
  - Damage crops, farms, and agricultural infrastructure



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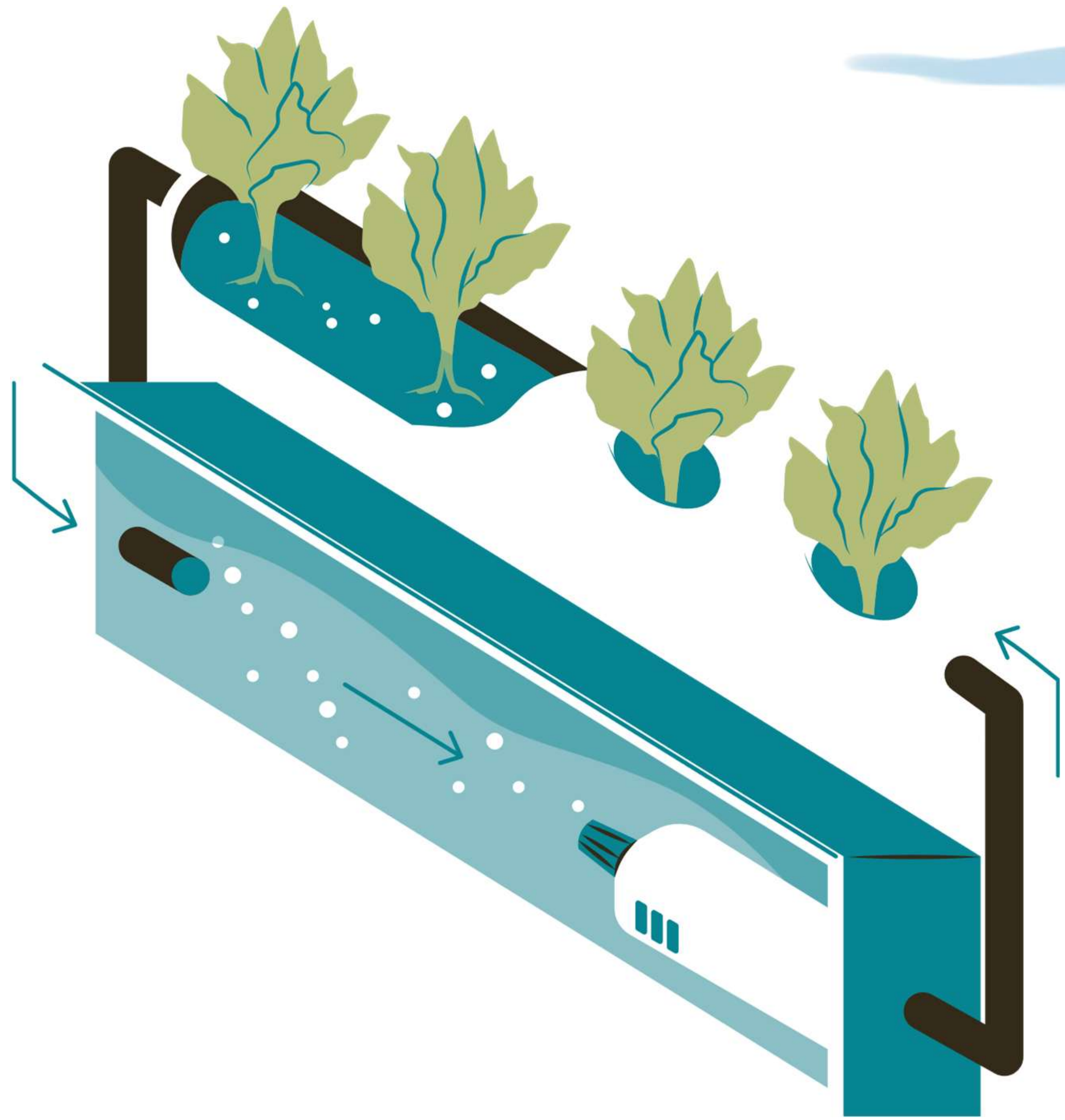
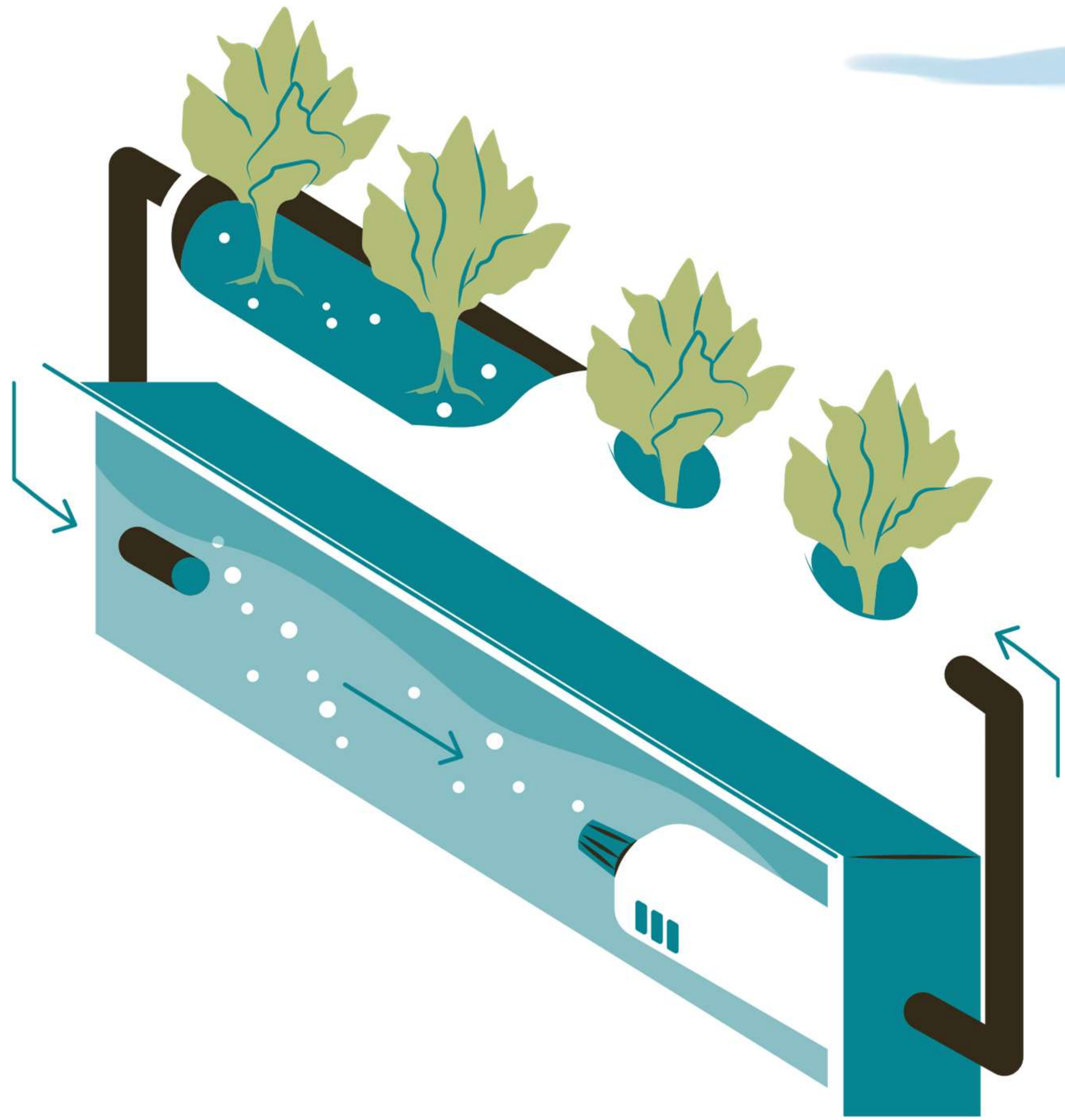
Effects on Food Production

- Reduced local crop supply (vegetables, fruits)
- Increased dependence on **imported food (90%+)**
- Higher production costs for farmers
- Increased risk of crop failure



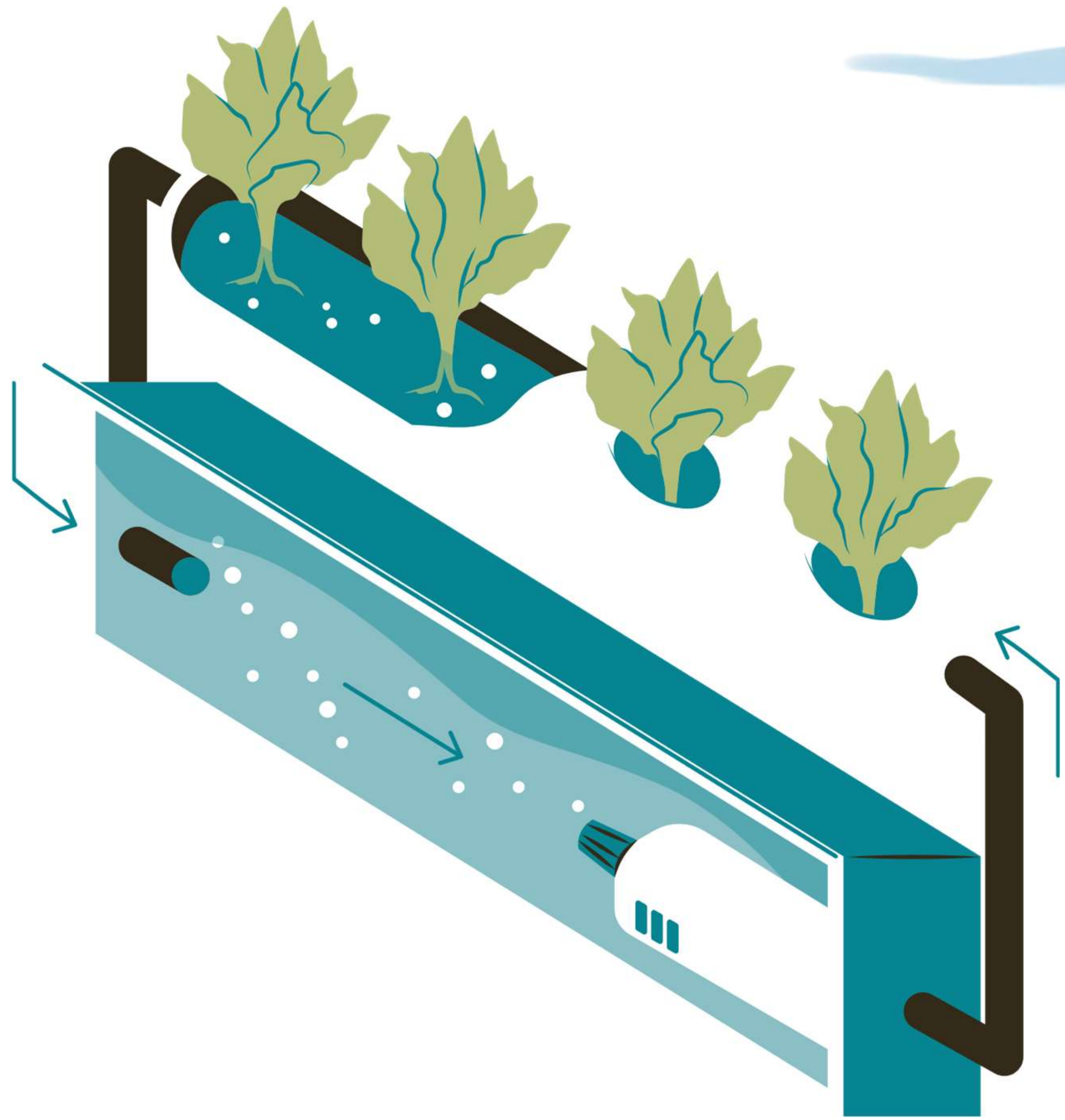
Agricultural Innovation

- Hydroponics & vertical farming
- Agriculture 4.0
- Automated machinery
- Satellite-based monitoring
- Reduce food import dependence
- Strengthen local food security
- Support sustainable economic growth
- Build resilience against climate risks



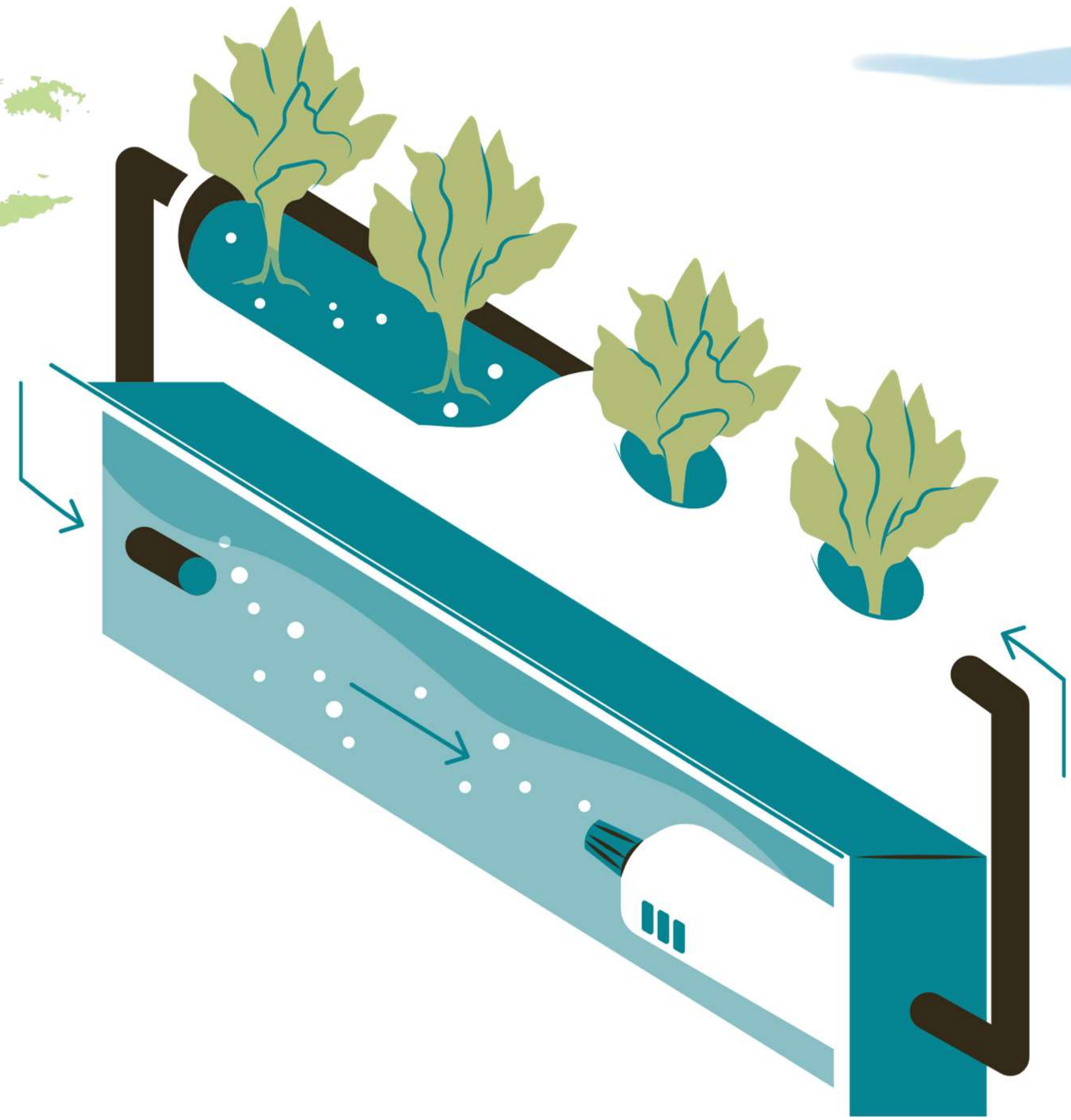
Key Vulnerabilities in USVI

- Small-scale farming operations
- Limited freshwater resources
- Heavy reliance on imports and shipping
- Exposure to climate shocks (storms, drought)



Adaptation Strategies

- **Climate-smart agriculture**
  - Hydroponics & aquaponics
- **Water conservation**
  - Rainwater harvesting, drip irrigation
- **Resilient crops**
  - Drought-tolerant varieties
- **Protected farming**
  - Greenhouses & shade systems



CHALLENGES IN AGRICULTURE

- Land degradation
- Water scarcity
- Pest and disease
- Low market prices
- Limited technology access

ROLE OF GOVERNMENT & POLICY

- Subsidies
- Training for farmers
- Food security programs
- Research & development

AGRICULTURE & ECONOMY

- Contribution to GDP
- Employment for rural communities
- Export of agricultural products

THE FUTURE OF AGRICULTURE

- Smart farms
- AI-powered decision making
- Sustainable food production
- Eco-friendly practices

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THANK YOU

ANY QUESTIONS?

FOR YOUR ATTENTION

Contact us at: 340-693-4375 or berdata@ber.vi.gov

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