

Voluntary Report – Voluntary - Public Distribution

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Report Name: Mexico's Potato Market

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Post: Mexico City

Report Category: Potatoes and Potato Products

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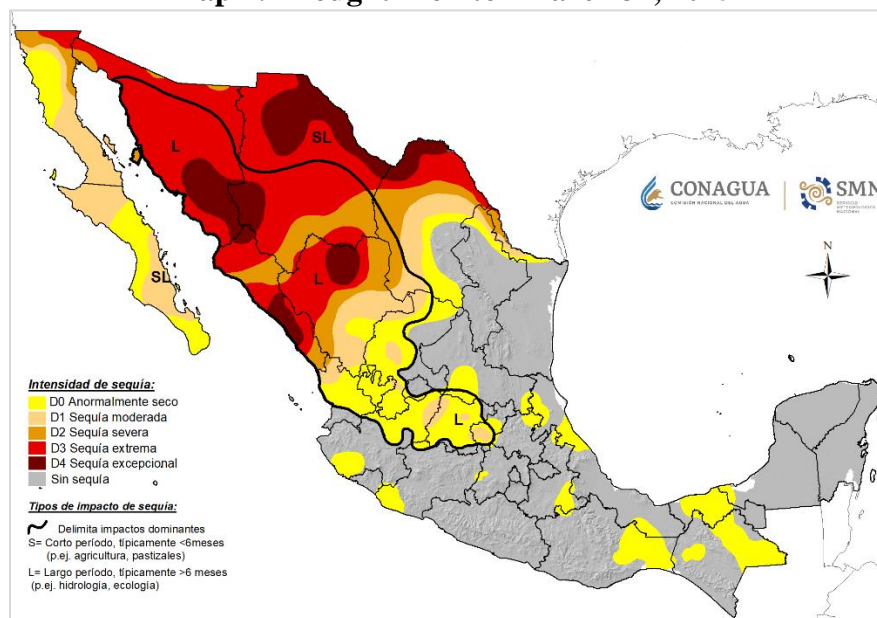
Report Highlights:

Mexico's potato production is estimated at 2.28 million metric tons (MMT) in marketing year (MY) 2025/26 (July 1 – June 30), four percent higher than the estimated MY 2024/25 production due to seasonal rains in several potato-producing states in mid-2024, easing drought conditions. Total MY 2025/26 planted area is estimated at 63,000 hectares (ha), including 17,500 ha in Sonora, the main potato production state. Mexico's total domestic consumption is forecasted at 2.78 MMT for MY 2025/26, three percent higher than the previous MY estimate, reflecting increasing consumer awareness of and demand for U.S. fresh potatoes. MY 2025/26 fresh potato imports are estimated at 0.225 MMT, five percent higher than the previous MY estimate based on projected increased consumption.

PRODUCTION

Potato production is estimated at 2.28 MMT in MY 2025/26, a four percent increase from the MY 2024/25 estimate due to seasonal rains in several potato-producing states during mid-2024, which contributed to alleviating, to some extent, the persistent drought effects experienced in the previous two marketing years. However, the two primary potato-producing states (Sonora and Sinaloa) are still experiencing severe to extreme drought conditions (see Map 1). Production has grown an average of 3.6 percent annually over the past five years. However, drought conditions in northwest Mexico are projected to result in smaller potato size, constraining production growth in the current and next marketing year.

Map 1: Drought Monitor March 31, 2025



Source: Mexico's National Water Commission (CONAGUA)

Mexico's potato sector faces a complex scenario with potentially above-average production levels and labor shortages. According to the president of the National Confederation of Potato Producers, Mexico's potato production could exceed the average of two million tons, raising concerns about potential market saturation and subsequent price drops. This oversupply could lead to economic challenges for potato producers across the country. Simultaneously, the Sinaloa region reports a critical labor shortage for the potato harvest due to increased planted area. The lack of labor hinders harvest efficiency, threatening to disrupt the local supply chain and potentially causing losses for growers in that region. Local potato growers claim there are risks of phytosanitary issues due to possible soil contamination from U.S. potato imports. They also point to challenging drought conditions in Sonora and Sinaloa.

According to official data from Mexico's National Information System for Agricultural Production (SIAP), production reached 2.12 MMT in MY 2023/24, seven percent higher than the previous MY, reflecting increased planted area. For MY 2023/24, among the 22 potato-producing states, Sonora,

Sinaloa, Veracruz, Puebla, and Estado de México account for 76 percent of total production (see Map 2). In MY 2023/24, domestic production accounted for 91 percent of Mexico’s fresh potato supply.

Map 2: Percentage of Potato Production by State (MY 2024/25)



Source: National Information System for Agricultural Production (SIAP)

Table 1: Final Production MY 2022/23 Vs. MY 2023/24

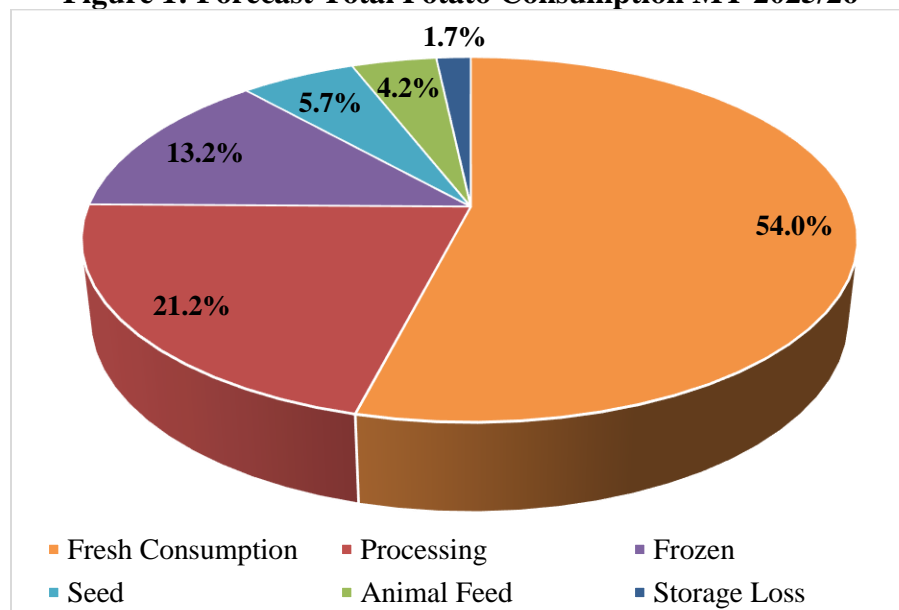
	MY 2023/24	MY 2024/25 Estimate	MY 2025/26 Forecast	Change MY24/25 Vs MY25/26
Harvested area (ha)	64,908	62,500	63,000	0.80%
Potato production (mt)	2,123	1,890	1,950	3.17%
Field yield (t/ha)	32.72	30.24	30.95	2.36%

Source: SIAP

CONSUMPTION

Mexico's total domestic potato consumption is forecast at 2.78 MMT in MY 2025/26, including 1.50 MMT for fresh table consumption, 0.59 MMT for food processing (mainly potato chips), and 0.37 MMT of frozen potatoes.

Figure 1: Forecast Total Potato Consumption MY 2025/26

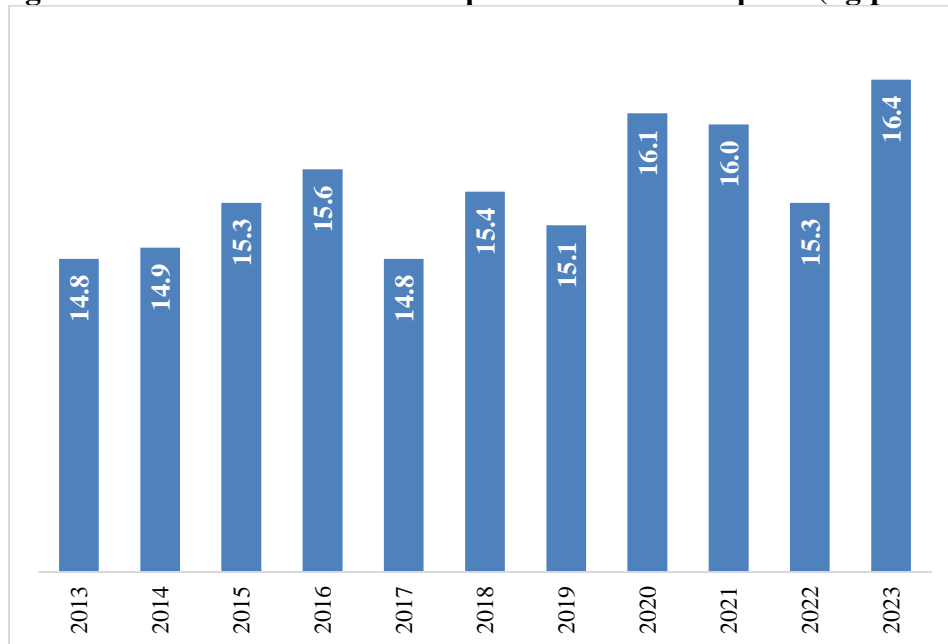


Source: SIAP and Food and Agriculture Organization (FAO)

Mexico's potato consumption is constrained by high food price inflation and consumer preferences for substitute products perceived as healthier than potatoes. Mexico's annual inflation rate climbed to 3.80 percent in March 2025, up from 3.59 percent in January 2025, when it reached its lowest level since January 2021. Food price inflation accelerated to 4.19 percent in March 2025, reversing a downward trend in the previous two months, when it fell to 2.38 percent. In addition, an uneven supply of potatoes throughout the year drives up prices during certain months – especially towards the end of the calendar year – pushing consumers to choose relatively less expensive carbohydrates, such as corn and beans.

During the last ten years, domestic fresh potato consumption has been stable at between 14 and 16 kilograms (kg) (30-35 pounds) per capita annually (see Figure 2). Industry sources indicate that there is room to increase potato consumption levels by stabilizing supply throughout the year, thus keeping prices stable.

Figure 2: Mexico's Annual Per Capita Potato Consumption (kg/person)



Source: SIAP

Table 2: Domestic Fresh and Frozen Potato Consumption (1000 MT)

Year	Potato Consumption	Variation %
MY 18/19	2,118	
MY 19/20	2,242	5.9%
MY 20/21	2,301	2.6%
MY 21/22	2,227	-3.2%
MY 22/23	2,385	7.1%
MY 23/24	2,622	10.0%
MY 24/25*	2,705	3.2%
MY 25/26**	2,779	2.7%

Source: SIAP and Trade Data Monitor (TDM)

Note: * Estimate; ** Forecast

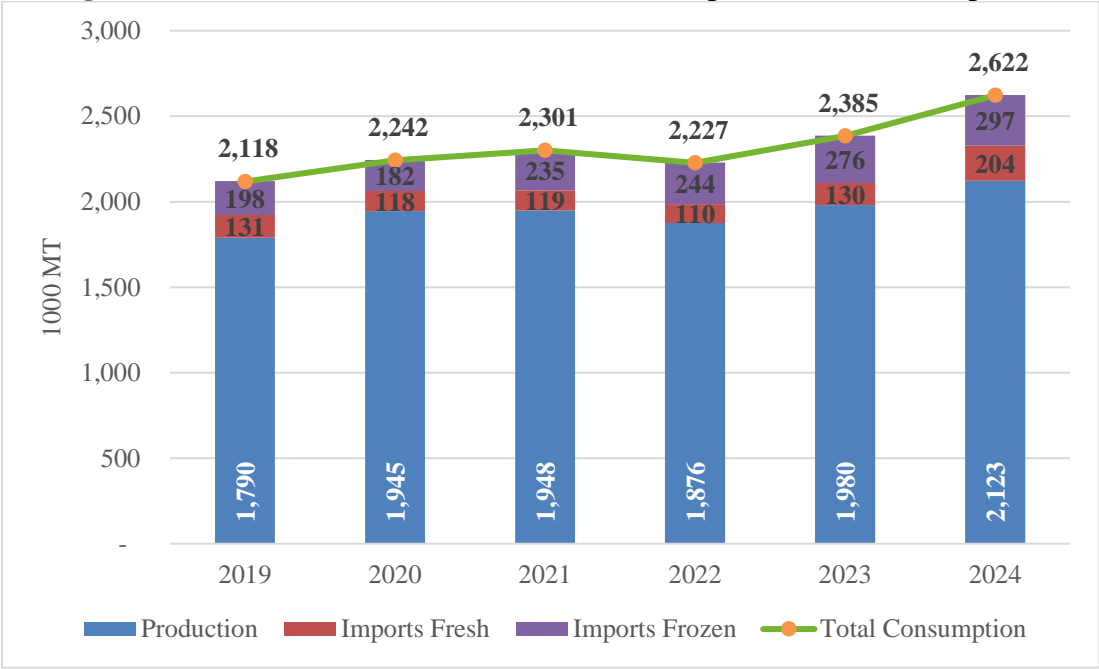
TRADE

MY 2025/26 fresh potato imports are forecasted at 0.225 MMT, five percent higher than the previous MY estimate based on forecasted increasing consumption. Estimated MY 2025/26 frozen potato imports are at 0.327 MMT, five percent higher than the previous estimate also due to projected growing consumption.

According to TDM data, the United States has been Mexico's sole supplier of fresh potato imports during the last 20 years. Based on the latest available official Mexican data (January 2025), Mexico

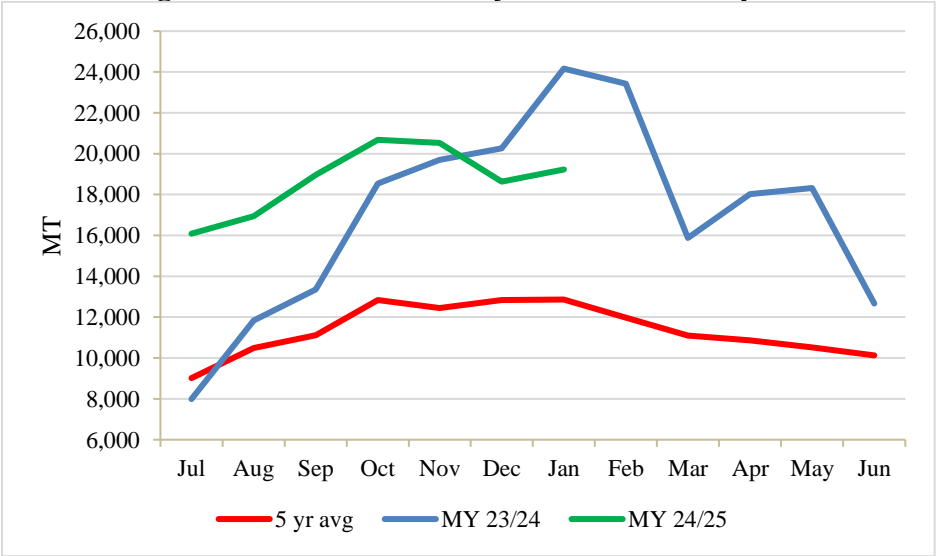
imported 131,063 MT of fresh potatoes for the first seven months of MY 2024/25, which is 13 percent higher than the same period of MY 2023/24. As of January 2025, Mexico’s frozen potato imports are at 169,045 MT for the first seven months of MY 2024/25, which is 12 percent higher than the same period of MY 2023/24. In MY 2024/25, Mexico’s imports of frozen potatoes came from the U.S. (52 percent), Canada (34 percent) and Belgium (14 percent).

Figure 3: Mexico’s Fresh Potato Production, Imports, and Consumption¹



Source: SIAP, FAO, and Trade Data Monitor (TDM)

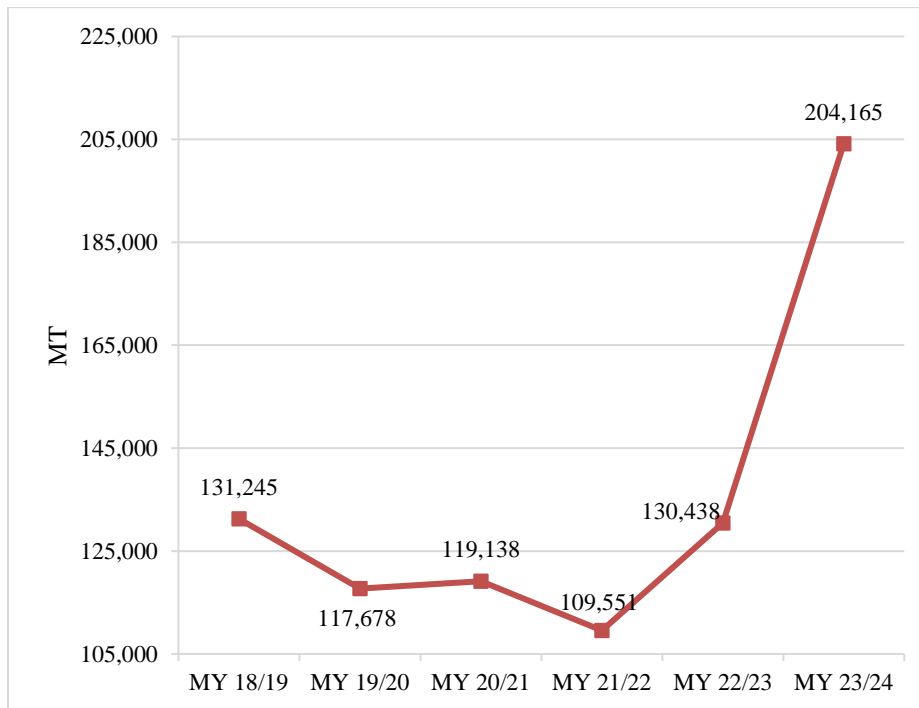
Figure 4: Mexico’s Monthly Fresh Potato Imports



Source: TDM

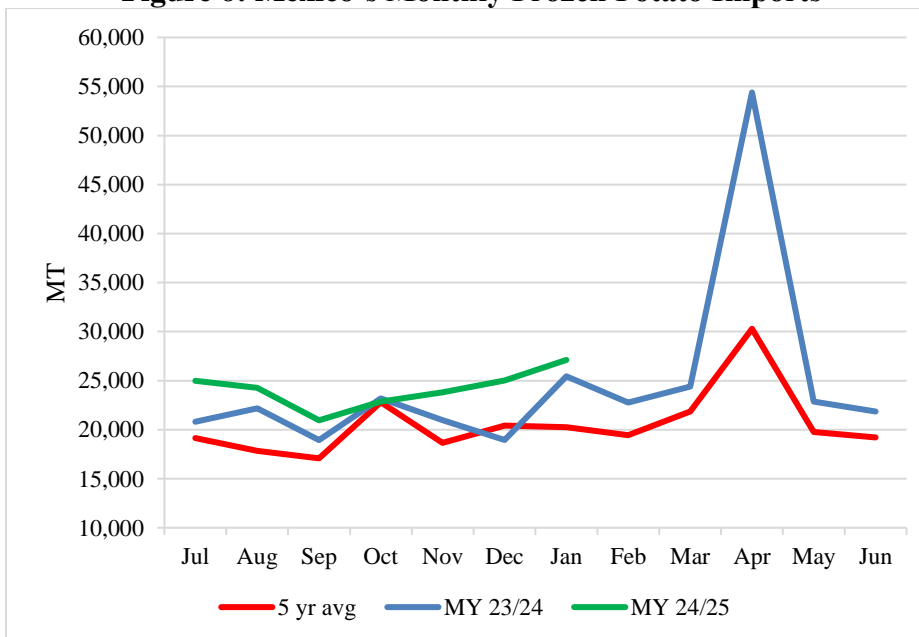
¹ Domestic Consumption includes fresh and frozen potatoes

Figure 5: Mexico's Annual Fresh Potato Imports



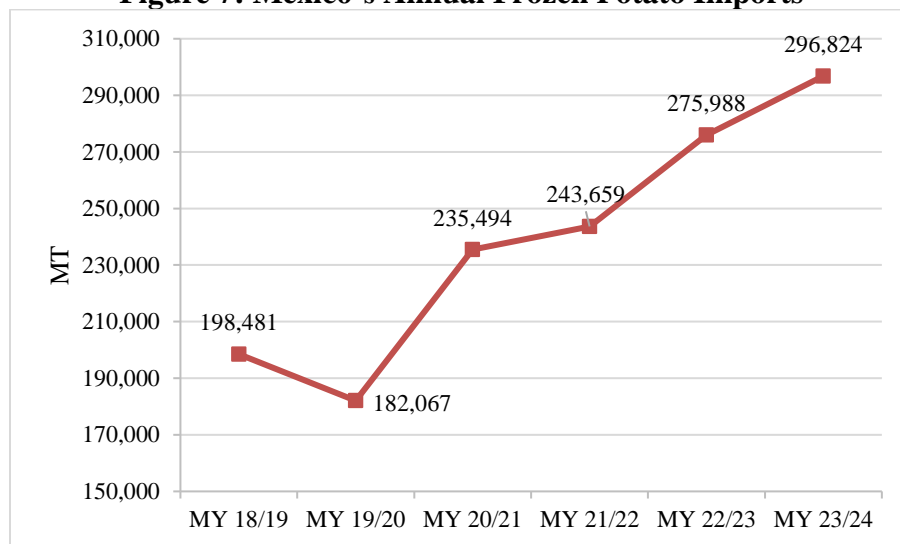
Source: TDM

Figure 6: Mexico's Monthly Frozen Potato Imports



Source: TDM

Figure 7: Mexico's Annual Frozen Potato Imports



Source: TDM

MARKETING AND EXPORT POTENTIAL

Mexican consumer preferences favor the Alpha potato variety produced in Mexico, while Russet Burbank is the dominant variety produced in the United States. The dominance of domestically produced potatoes in the Mexican market, accounting for 91 percent of domestic consumption, limits awareness of other potato options among Mexican households. However, in the previous two marketing years, fresh potato imports from the U.S. grew by an average of 38 percent, indicating an increasing awareness of U.S. potatoes. Furthermore, since 2020, average annual per capita consumption has increased to almost 16 kg from 14-15 kg in previous years, showing increasing demand for potatoes.

Industry sources report concerns about uncertainty with regard to market access to Mexico for U.S. potatoes based on prior regulatory and legal challenges (see Policy section). In addition, Mexico requires that fresh potato imports be packaged in 20-lb bags or smaller (with 3-lb, 5-lb, and 10-lb bags available since 2022), posing a challenge to potential exporters, as the requirement often necessitates packing facility updates. Moreover, Mexican consumers prefer to hand-select their produce and purchase relatively smaller quantities more frequently, while imported potatoes are usually sold in 20-lb bags that are too large for the average Mexican consumer. The primary consumers of imported potatoes are restaurants seeking to offer differentiated premium products to their customers.

POLICY

In 2022, the United States and Mexico reached an agreement to fully open the Mexican market to U.S. potato exports. The agreement followed numerous regulatory changes by the GOM and legal challenges on the part of Mexico's potato industry.

History of Regulations and Legal Challenges Impacting U.S. Potato Exports to Mexico

In February 1996, Mexico's Secretariat of Agriculture (SAGARPA—now renamed SADER) published the regulation NOM-012-FITO²-1996, which established an area of quarantine to prevent the introduction of potato pests. NOM-012-FITO-1996 limited imports of potatoes from the United States and Canada to the area north of the Northern Border Line (26 km parallel line from the U.S.-Mexico border).

In 2011, Mexico opened the country to U.S. potato exports, limited to the 26 km (16 miles) border area specified by NOM-012-FITO-1996. However, in March 2014, SAGARPA published a new agreement outlining new regulations to allow the import of fresh and processed potatoes into Mexico beyond the 26 km border zone—the new regulation nullified NOM-012-FITO-1996. Per the new agreement, in May 2014, U.S. fresh potatoes began entering Mexico beyond the 26 km border zone. In reaction, Sinaloa potato growers requested a court injunction (*amparo*) on the regulation, claiming potential harm to Mexico's environment and agricultural system from pests introduced by U.S. potatoes. In response to this and several similar *amparos*, in June 2014, SAGARPA announced a provisional suspension of the agreement, temporarily halting all U.S. potato exports to Mexico.

Between 2015 and 2021, Mexican potato producers and associations filed several lawsuits against the GOM to prevent U.S. potatoes from entering Mexico beyond the 26 km border zone. One case eventually worked its way to the Mexican Supreme Court, which in 2021 ruled in favor of the GOM, paving the way for restored full market access to Mexico for U.S. potatoes. In 2022, Mexico published new phytosanitary requirements for U.S. potato imports and an operational work plan. U.S. potato exports to Mexico resumed with the first shipment on May 11, 2022.

In 2024, Mexican potato producers, led by the National Confederation of Potato Producers (CONPAPA), held meetings with key agriculture stakeholders, raising concerns regarding phytosanitary issues with U.S. fresh potato imports. CONPAPA approached the Secretariat of Agriculture and Rural Development (SADER), the National Service for Agrifood Health, Safety, and Quality (SENASICA), and Mexico's National Agricultural Council (CNA) to raise the possibility of non-compliance with the established protocols and work plan for U.S. potato exports to Mexico. CONPAPA claimed that U.S. potatoes were arriving with 'sprouts and improper packaging' and expressed concern that the introduction of pests and diseases could devastate Mexican potato production and potentially harm other crops like tomatoes and chili peppers.

Furthermore, during the meetings with SADER and SANESICA, CONPAPA expressed its desire to expand commercialization to international markets. Recently, CONPAPA stated that Mexican potato growers are aiming for a first shipment of fresh Mexican potatoes to the United States in 2025, with industry representatives seeking the required certifications for exports from three packing plants and more than 500 ha of potato planted area.

Other Relevant Reports Submitted by FAS/Mexico:

Report Number	Subject	Date Submitted
MX3024	Sanitary/Phytosanitary/Food Safety	2/21/2003

² Official Mexican Phytosanitary Standard (NOM-FITO by its acronym in Spanish)

	Modifications to NOM-012-FITO-1995 on Potatoes 2003	
MX4024	Mexico Publishes Final Potato Import Rule	3/19/2014
MX4041	Mexican Potato Market Opens	5/21/2014
MX4053	U.S. Fresh Potato Exports to Mexico Suspended	7/02/2014
MX4055	U.S. Fresh Potato Exports—Border Access Resumes	7/07/2014

Attachments:

No Attachments.