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# The interruption of fertiliser deliveries from the Gulf calls into question 2026 yields



Global attention is focused on the price of oil. At the same time, another disruption is already developing, with direct consequences for agriculture and food prices.

The blockade in the **Strait of Hormuz** has interrupted key **fertiliser supplies**. A large part of the world trade in urea and ammonia goes through that passage.

The countries of the Persian Gulf are among the main exporters, with a share that in certain segments reaches approximately half of the global market.

The production of these fertilisers relies on natural gas, and their distribution depends on sea transport through the Strait of Hormuz.

A stoppage on that route doesn't just mean delays in deliveries. It means that the fertilisers do not reach farmers on time, in the weeks before sowing and during the sowing itself. If it is then absent, yields cannot be compensated later.

When this transport stops, it's not just trade that stops – the cycle of food production stops.

## No quick workaround

Since the end of February, the passage through the Strait of Hormuz has practically stopped. Major shipping companies have suspended transit through the high-risk zone.

Gulf producers invoked force majeure and halted shipments. Cargo destined for Asia, South America and Africa remained at ports or anchorages in the region.

Estimates are that about one million tonnes of fertiliser cannot be delivered.

There is no quick workaround for this sector. Saudi Arabia has the capacity to divert part of its oil exports to the Red Sea, but no such infrastructure exists for urea and ammonia.

## Oxford Economics raised the projected fertiliser prices for the second quarter of 2026 by about 20 per cent

Transport of those products depends on ships and specific routes that are not available now. At the same time, there are no state reserves of fertilisers that could mitigate the supply interruption.

Prices started to rise immediately. **Urea** at the New Orleans import hub increased from \$516 per metric tonne on 27 February to around \$683 on 5 March, an increase of approximately 32 per cent in one week.

In mid-March, global spot prices ranged between \$680 and \$720 per tonne, depending on the region. In Egypt, the FOB price rose from around \$480 to approximately \$720 within three weeks.

After these developments, Oxford Economics raised the projected **fertiliser prices** for the second quarter of 2026 by about 20 per cent compared to the previous estimate and stated that the risks of further increase are more pronounced if the disruption persists.

## Broader implications

The **disorder affects** more than just nitrogen fertilisers. Phosphates rely on sulphur, and this particular chain is especially vulnerable.

Much of the world's maritime sulphur trade comes from the Persian Gulf. Without this input, there is no sulphuric acid, and without it, there are no phosphate fertilisers in industrial quantities.

Morocco's OCP, the world's largest phosphate producer, imports sulphur from the Gulf. Interrupting this flow causes problems not only in the finished product's export but also in the production process itself.

## QatarEnergy has declared force majeure on certain deliveries

The consequences are already visible in the industry. In South Asia, some urea producers are reducing production or using downtime for previously planned overhauls because there is no secure gas supply from Qatar.

QatarEnergy has declared force majeure on certain deliveries. This further reduces the quantities coming to the market.

## Global dependencies and timing risks

The distribution of dependencies makes this disorder **global**. **India** imports more than 40 per cent of its urea and phosphate requirements, with a high reliance on the Gulf.

Brazil is almost entirely dependent on urea imports for its soybean production. Asia is the largest recipient of shipments of fertiliser and raw materials from the Gulf. Sub-Saharan Africa imports more than 90 per cent of its fertilisers and has no alternative supply routes.

The timing makes the situation even worse. In the northern hemisphere, fertiliser is purchased and used in March and April, just before and during sowing.

**When the price rises sharply or fertiliser is not available, producers reduce quantities or change the sowing plan**

The journey from the Gulf to American and European ports takes about four weeks. Cargoes not shipped by the end of March do not arrive in time for sowing. When that deadline is missed, the season is lost.

Fertiliser has a large share in production costs. Corn and wheat account for about one-fifth of the total costs.

When the price rises sharply or fertiliser is not available, producers reduce quantities or change the sowing plan. This is first seen in the crops that depend most on nitrogen, primarily corn and wheat.

The effect appears later but is completely certain. A lower yield means a lower supply. Lower supply means **higher prices**. That growth is then transferred to animal feed, followed by meat and dairy products. Once that chain starts, it's difficult to break.

## A slower process, but much wider consequences

This situation differs from the disruption of 2022, when the Russian invasion of Ukraine disrupted the global grain and fertiliser markets.

Back then, the key problems were the closed Black Sea ports and sanctions against Russia and Belarus, which are among the largest fertiliser exporters.

However, part of the deliveries were rerouted through other ports and alternative suppliers, and the market also relied on existing stocks.



*The agricultural calendar cannot accommodate this delay. Missing the sowing deadline determines the consequences*

Now there is no such thing. Large quantities of goods remain in the region from which they cannot leave. Transport depends on one route, which is practically closed.

There are no land alternatives or logistics

routes that can take over these flows in the short term.

Even if the security situation stabilises, supplies are not immediately returned. Production must be restarted, ships must be returned to routes, and cargoes must be delivered.

This can go on for weeks. The agricultural calendar cannot accommodate this delay. Missing the sowing deadline determines the consequences.

Currently, the states are taking limited action. In the United States, agricultural organisations are requesting urgent measures to secure supplies and reduce import costs.

There is no agreed answer in the European Union. Unlike energy markets, where coordination mechanisms exist, fertiliser markets remain without institutional protection.

This disruption is not immediately visible. The effects come later, through yields and food prices. When they appear, the space for reaction is already narrowed.

The war in Iran is currently being tracked through the price of energy. Its wider effect is yet to be seen in agriculture and the food market. It is a slower process, but with much wider consequences.