FAO Chief Economist warns of severe global food security risks from disruption to Strait of Hormuz trade corridor

Máximo Torero speaks at UN press briefing on implications of Middle East conflict

Disruptions to a critical global trade corridor are triggering interconnected shocks across energy, fertilizer, and agrifood systems.

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New York / Rome — The Chief Economist of the Food and Agriculture Organization of the United Nations (FAO), Máximo Torero, warned that the ongoing disruption to the Strait of Hormuz trade corridor is triggering one of the most severe shocks to global commodity flows in recent years, with significant implications for food security, agricultural production, and global markets.

Speaking at a United Nations daily press briefing, Torero highlighted that tanker traffic through the Strait of Hormuz has collapsed by more than 90 percent within days of the escalation. The vital artery for global trade typically carries around 20 million barrels of oil per day—approximately 35 percent of global crude oil flows—alongside one-fifth of global liquefied natural gas (LNG) and up to 30 percent of internationally traded fertilizers.

“This is not only an energy shock. It is a systematic shock affecting agrifood systems globally,” Torero said. He emphasized that the Gulf region accounts for nearly half of global sulfur trade, a critical input used to produce sulfuric acid for processing phosphate rock into fertilizers. Disruptions to sulfur supply risk fracturing global phosphate fertilizer production, including in major producing countries.

Shipping constraints have been compounded by surging insurance costs. Following the expansion of high-risk zones in early March, war-risk insurance premiums rose from 0.25 percent to as high as 10 percent of vessel value, with coverage now resetting every seven days. Even in the event of de-escalation, normal shipping conditions may take months to resume, Torero warned.

Rising input costs and risks to agricultural production

The Chief Economist pointed out that the disruptions are already translating into higher costs for farmers worldwide. Fertilizer prices have risen sharply, with Middle East granular urea increasing by 19 percent in the first week of March, while Egyptian urea prices surged by 28 percent. Given that natural gas is the primary feedstock for nitrogen fertilizers, elevated energy prices are expected to sustain upward pressure on fertilizer costs. FAO projections indicate that global fertilizer prices could average 15 to 20 percent higher in the first half of 2026 if the crisis persists.

“Farmers are facing a dual cost shock: they have more expensive fertilizers alongside rising fuel costs affecting the entire agricultural value chain, including irrigation and transport,” Torero said. In response, many producers are likely to reduce fertilizer application or shift toward less input-intensive crops, he added.

Since fertilizer use follows a nonlinear yield response, even modest reductions can result in disproportionately large declines in crop yields, particularly in regions where baseline usage is already low.

Duration of disruption will be decisive

During the briefing, Torero stressed that the duration of the crisis will determine the scale of its global impact. In the case of a short-term disruption of up to one month, impacts are expected to remain contained. Global food stocks are currently sufficient, and markets could stabilize within approximately three months. The FAO Food Price Index remains about 21 percent below its March 2022 peak.

If the disruption persists for three months or longer, risks escalate significantly, affecting global planting decisions for 2026 and beyond. Under a medium-term disruption scenario, FAO anticipates reduced yields for fertilizer-intensive crops such as wheat, rice, and maize, crop substitution toward nitrogen-fixing crops such as soybeans, and increased competition from biofuel production as higher oil prices stimulate demand for agricultural feedstocks.

Impacts across countries

Torero underscored that the effects of the crisis will vary depending on crop cycles and import dependencies. Countries currently most vulnerable include:

- Sri Lanka, where the Maha rice harvest is underway
- Bangladesh, currently in its critical Boro rice season
- India, facing reduced domestic fertilizer production ahead of the Kharif season
- Egypt, highly exposed due to reliance on wheat imports
- Sudan, already facing acute food insecurity
- In Sub-Saharan Africa, Somalia, Kenya, Tanzania, and Mozambique are particularly exposed due to high dependence on fertilizer imports.
- Major agricultural exporters such as Brazil may also face production impacts, with potential spillovers into global markets.

Torero also highlighted two critical secondary risks: potential declines in income flows from Gulf economies could affect millions of households in developing countries relying on remittances, and export restrictions could further tighten global supply and exacerbate price volatility.

Policy recommendations

Torero called for urgent, coordinated international action.

In the short term, it is critical to establish alternative trade corridors, provide emergency financial support to import-dependent countries, and ensure farmers have access to credit.

In the medium term, countries need to diversify fertilizer import sources, strengthen regional reserves, and avoid export restrictions.

In the long term, FAO recommends investing in sustainable, input-efficient agriculture, scaling alternative fertilizer technologies such as green ammonia, and treating food systems as strategic infrastructure.

More on this topic

- Global Agrifood Implications of the 2026 Conflict in the Middle East
- Multimedia package: Global Agrifood Implications of the 2026 Conflict in the Middle East

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