

Fertilizer prices surge as Strait of Hormuz disruptions tighten supplies

JOHN BAFFES & KALTRINA TEMAJ | MAY 14, 2026
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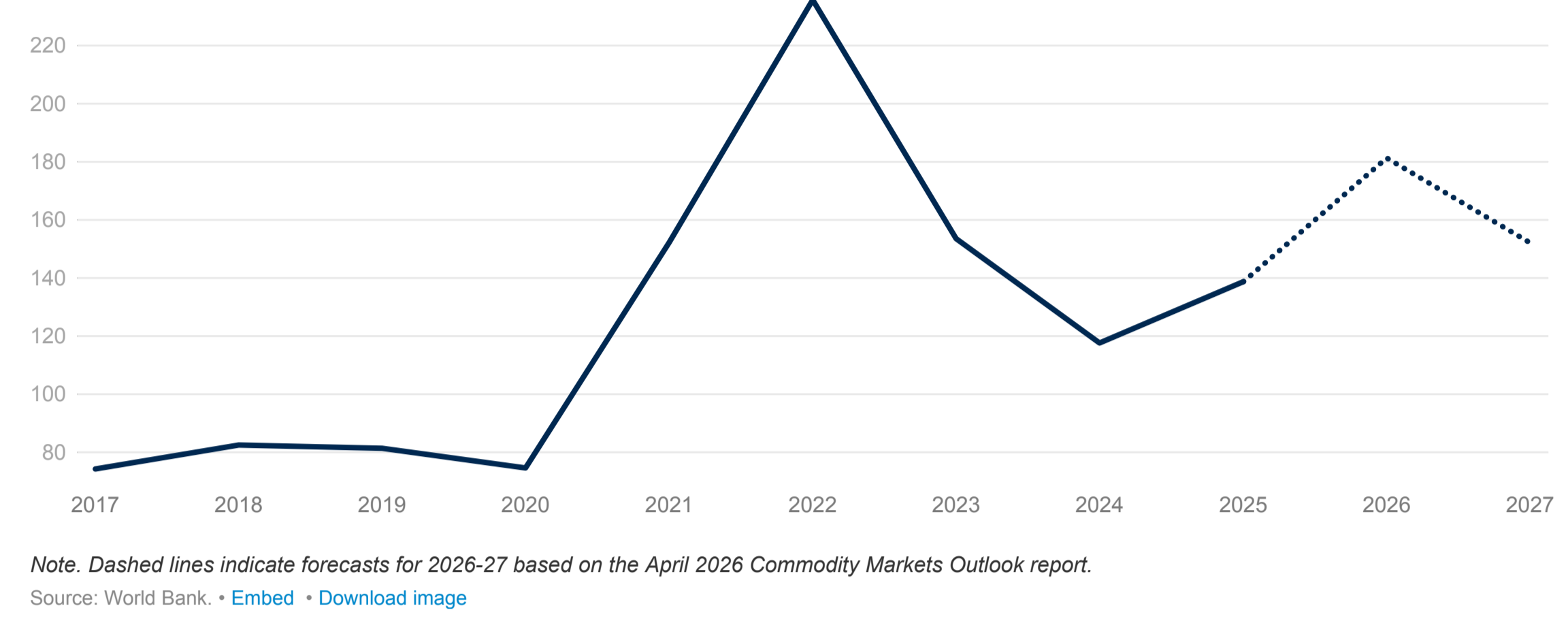


Fertilizer prices are rising sharply as disruptions in the Strait of Hormuz tighten global supplies and increase pressure on agricultural markets worldwide. / Image: Shutterstock

This blog post is part of a special series based on the April 2026 *Commodity Markets Outlook*, a flagship report published by the World Bank Group. This series features concise summaries of commodity-specific sections extracted from the report.

The World Bank Group's fertilizer price index rose more than 12 percent in 2026Q1 (q/q), marking its sixth increase in seven quarters. By April 2026, the index had reached its highest level since October 2022, driven mainly by export disruptions related to the closure of the Strait of Hormuz. Urea prices recorded the largest gains, while increases in other fertilizers were more moderate. Despite the recent surge, price increases remain well below the spikes seen in 2021 and 2022, when fertilizer prices jumped by more than 100 percent and 55 percent, respectively, amid supply disruptions in Russia and Belarus—two of the world's key fertilizer suppliers. The more subdued response this time reflects three factors: (i) growers in the Northern Hemisphere had already secured much of their fertilizer supply; (ii) natural gas prices (the main production cost for nitrogen-based fertilizers) rose less sharply than after Russia's invasion of Ukraine; and (iii) trade flows from the Middle East are increasingly being rerouted through land corridors, bypassing the Strait of Hormuz. The fertilizer price index is projected to rise by more than 30 percent in 2026, supported by higher input costs—particularly for nitrogen- and phosphate-based fertilizers—and resilient global demand. Prices are expected to ease in 2027 as exports recover and new supply comes online. However, risks remain tilted to the upside if elevated energy prices persist and shipping and production disruptions linked to the Strait of Hormuz continue beyond 2026Q3.

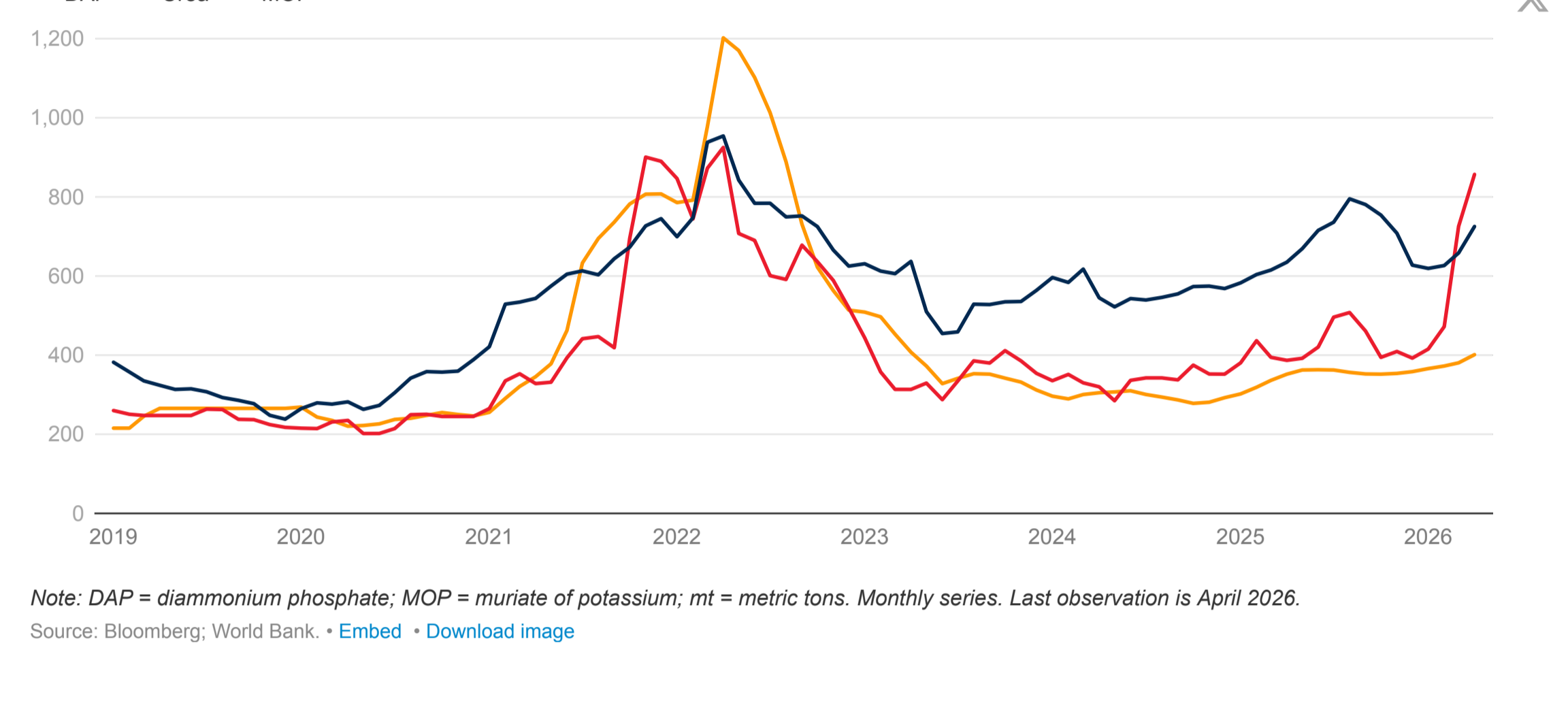
Fertilizer price index, historical and forecasts



Note: Dashed lines indicate forecasts for 2026-27 based on the April 2026 *Commodity Markets Outlook* report. Source: World Bank. Embed • Download image

Nitrogen (urea) prices climbed above \$850 per metric ton in April, up 80 percent since February and the highest level since April 2022. The surge was driven by major export disruptions following the closure of the Strait of Hormuz, a key shipping route for fertilizer exports from the Middle East, which accounts for nearly one-quarter of global urea exports. Supply pressures have intensified due to production outages across the region. The Islamic Republic of Iran halted ammonia production amid the conflict, while Qatar suspended production of urea, ammonia, and sulfur after damage to key facilities. India has also reduced urea and ammonia output because of lower LNG supplies. Tighter supply and potential export curbs from China have added to market concerns, pushing fertilizer affordability for farmers to its weakest level since mid-2022.

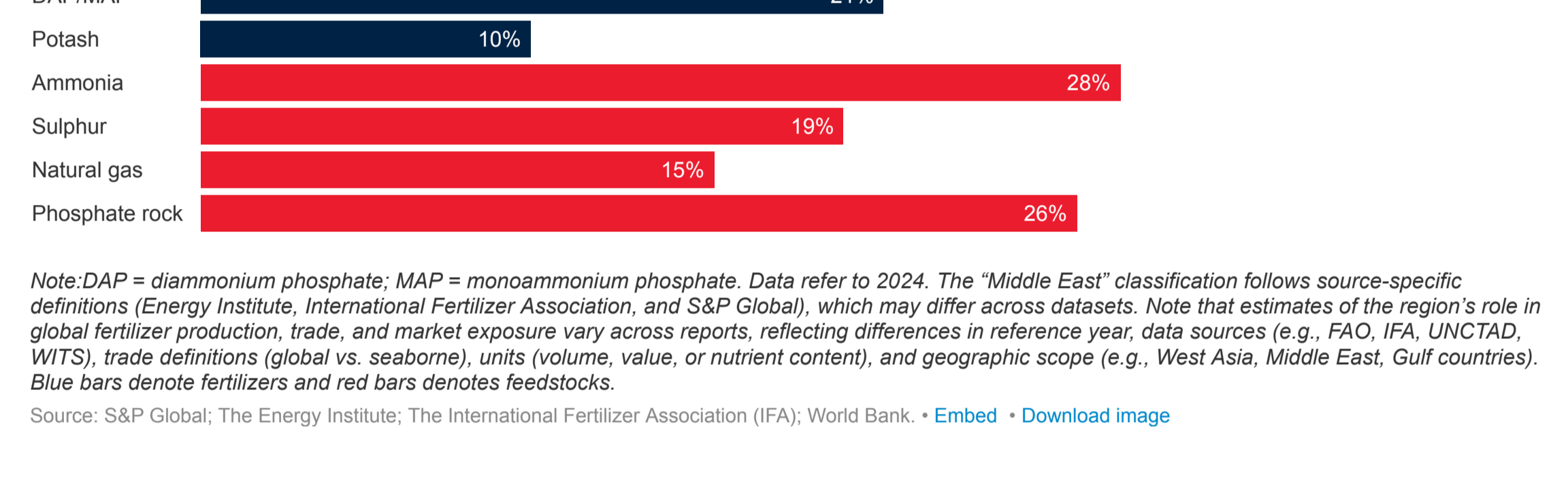
Fertilizer prices



Note: DAP = diammonium phosphate; MOP = muriate of potassium; mt = metric tons. Monthly series. Last observation is April 2026. Source: Bloomberg; World Bank. Embed • Download image

Urea prices are projected to rise nearly 60 percent in 2026 before easing in 2027 as Middle East exports recover and natural gas prices moderate. However, risks remain tilted upward, including prolonged shipping disruptions from the Middle East, further trade restrictions, and higher input costs—especially natural gas prices—all of which could push urea prices above their 2022 average.

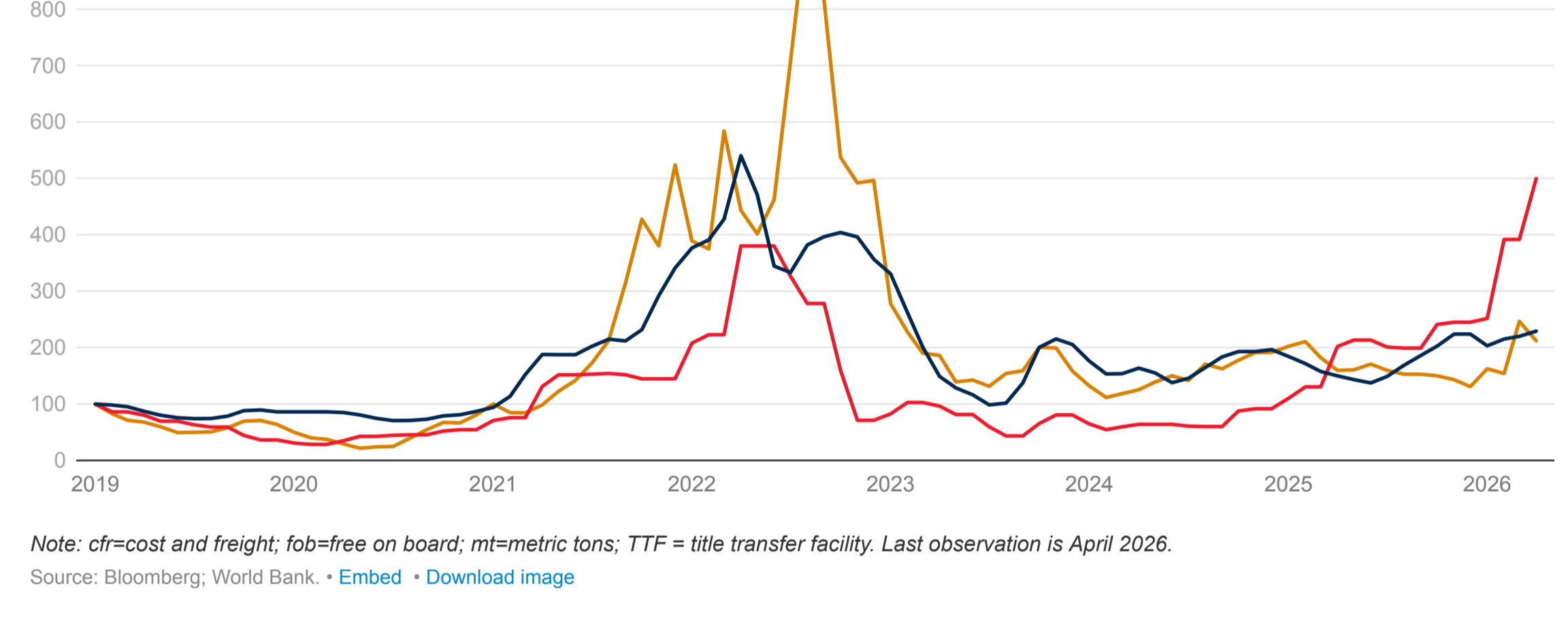
Middle East fertilizer and feedstock exports as a share of global exports



Note: DAP = diammonium phosphate; MAP = monoammonium phosphate. Data refer to 2024. The "Middle East" classification follows source-specific definitions (Energy Institute, International Fertilizer Association, and S&P Global), which may differ across datasets. Note that estimates of the region's role in global fertilizer production, trade, and market exposure vary across reports, reflecting differences in reference year, data sources (e.g., FAO, IFA, UNCTAD, WITS), trade definitions (global vs. seaborne), units (volume, value, or nutrient content), and geographic scope (e.g., West Asia, Middle East, Gulf countries). Blue bars denote fertilizers and red bars denotes feedstocks. Source: S&P Global; The Energy Institute; The International Fertilizer Association (IFA); World Bank. Embed • Download image

DAP (diammonium phosphate) prices rose more than 10 percent in April after remaining relatively stable earlier in the year. The increase reflects tightening supply conditions and rising input costs, particularly sulfur prices, which have doubled since January. China's move to tighten exports has also added upward pressure on prices. As a result, the DAP-to-food price ratio—which had declined for six straight months through February—rebounded in March and April.

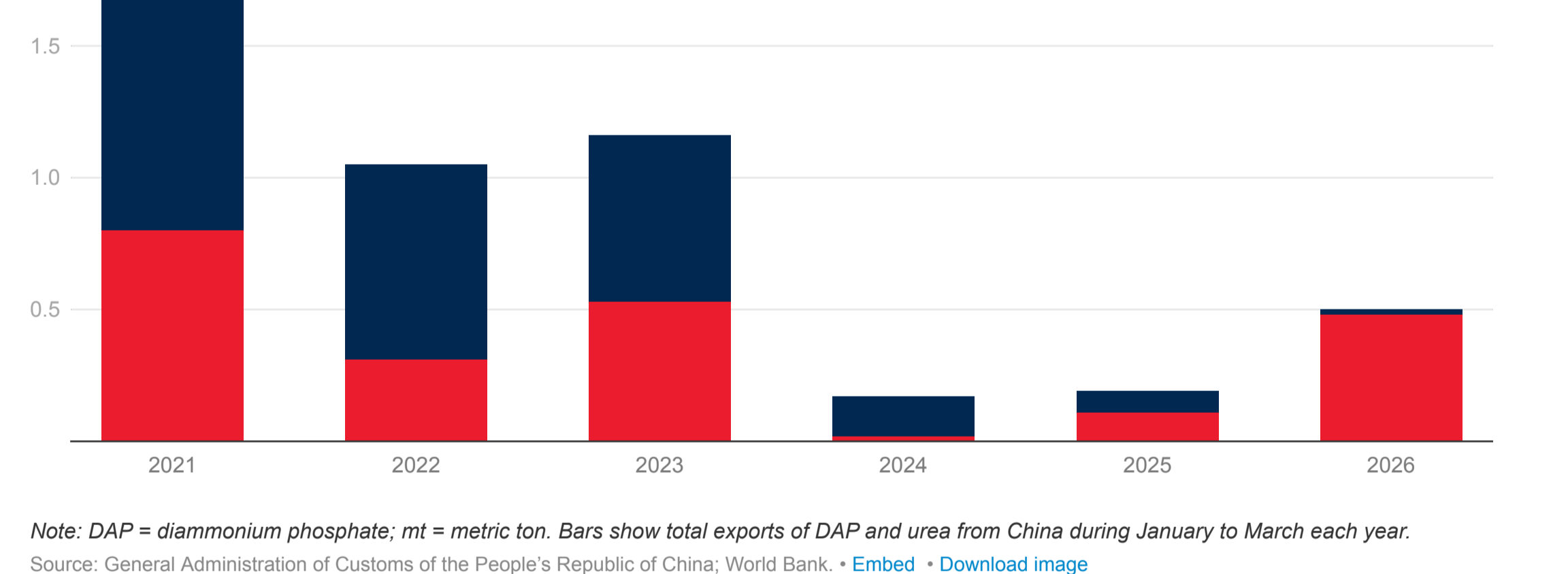
Fertilizer input costs



Note: cfr=cost and freight; fob=free on board; mt=metric tons; TTF = title transfer facility. Last observation is April 2026. Source: Bloomberg; World Bank. Embed • Download image

DAP prices are projected to rise nearly 6 percent in 2026 before falling about 10 percent in 2027 as new production capacity comes online. However, major risks remain. Renewed export restrictions by China or a prolonged closure of the Strait of Hormuz could significantly disrupt global fertilizer trade, especially since the route handles a large share of global sulfur and ammonia shipments—both critical inputs for DAP production. Supply concerns have also intensified after Morocco's OCP accelerated maintenance at its phosphate facilities, likely in response to disruptions in sulfur and ammonia markets.

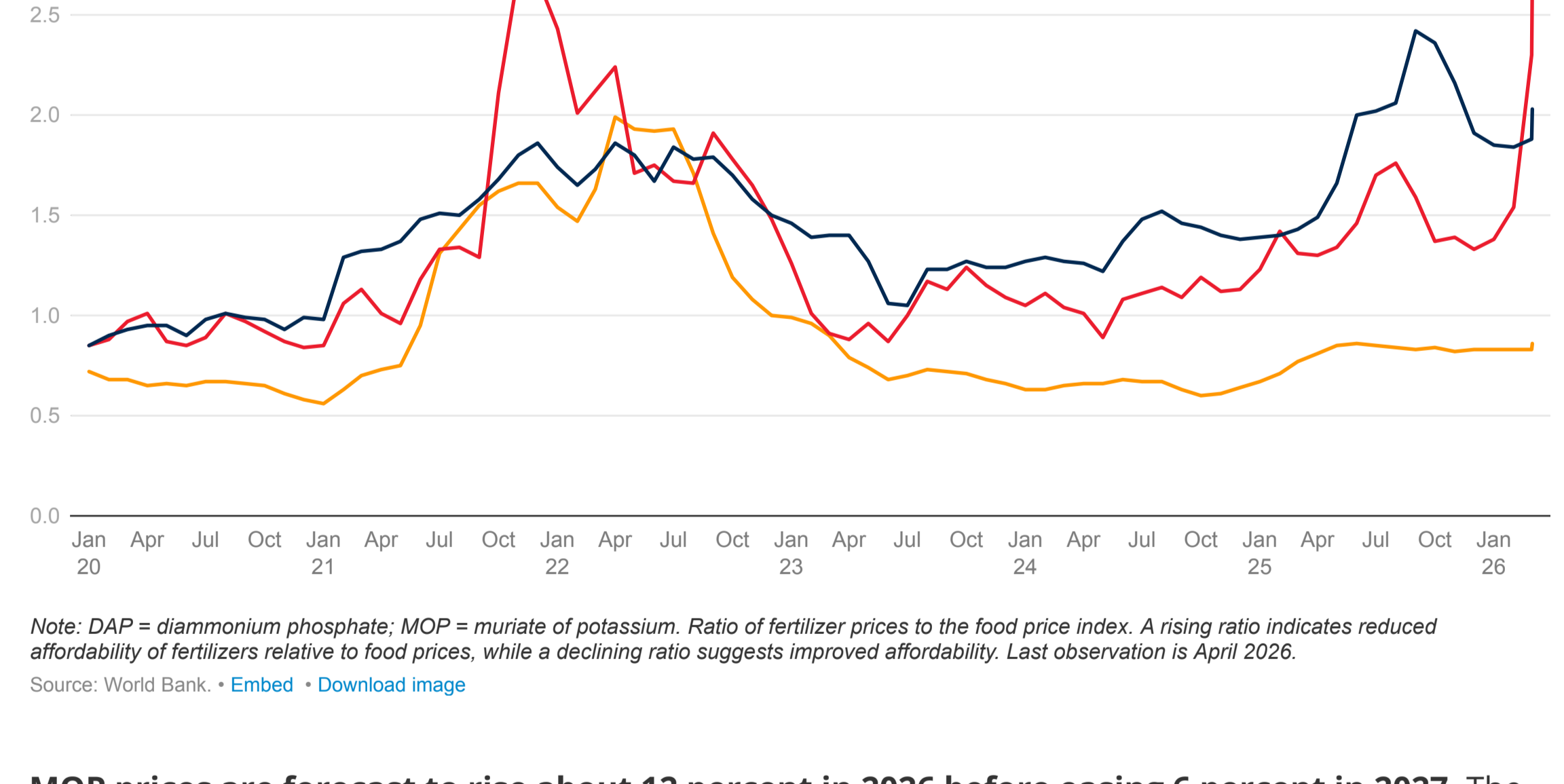
Fertilizer exports from China, cumulative through March



Note: DAP = diammonium phosphate; mt = metric ton. Bars show total exports of DAP and urea from China during January to March each year. Source: General Administration of Customs of the People's Republic of China; World Bank. Embed • Download image

MOP (muriate of potash) prices rose more than 5 percent in 2026Q1 and were nearly 17 percent higher than a year earlier. Despite the increase, affordability relative to food prices has remained close to pre-2020 levels. The market is becoming increasingly well supplied, supported by higher exports from Belarus following the easing of U.S. sanctions, as well as stronger shipments from Russia, Canada, and the Lao People's Democratic Republic. Supply conditions are expected to remain comfortable through 2026 and 2027.

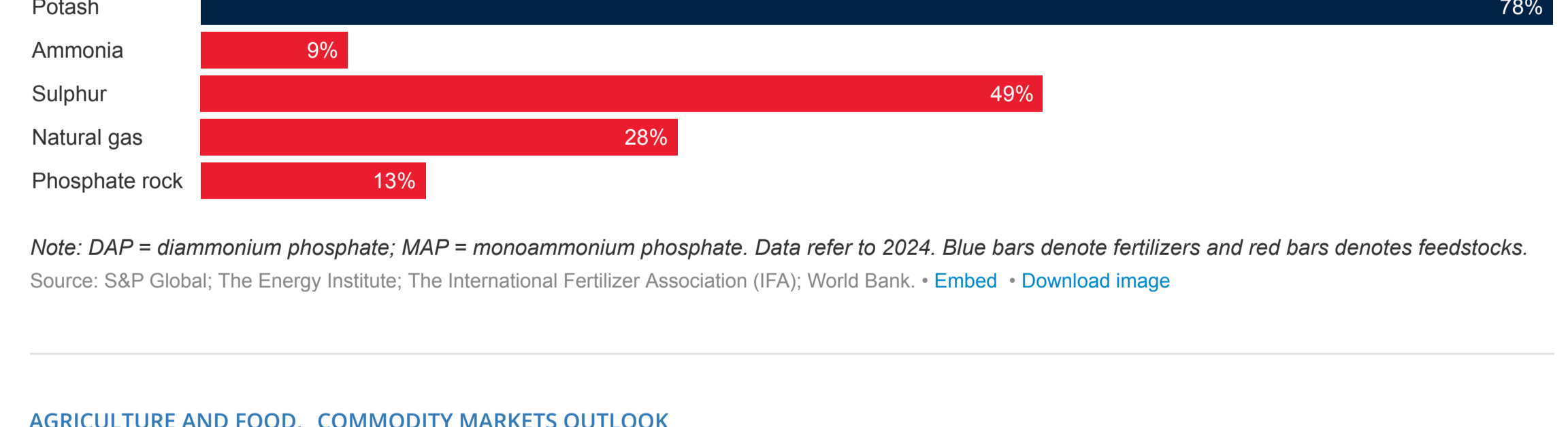
Fertilizer non-affordability



Note: DAP = diammonium phosphate; MOP = muriate of potassium. Ratio of fertilizer prices to the food price index. A rising ratio indicates reduced affordability of fertilizers relative to food prices, while a declining ratio suggests improved affordability. Last observation is April 2026. Source: World Bank. Embed • Download image

MOP prices are forecast to rise about 12 percent in 2026 before easing 6 percent in 2027. The broader outlook remains balanced, as potash markets are less exposed to Middle East disruptions than other fertilizers. Still, sharper-than-expected increases in urea or phosphate prices could prompt farmers to cut MOP use to manage costs, weakening demand and exerting downward pressure on prices. In the longer term, major new production capacity—especially in Canada, the world's largest potash producer and exporter—could add further downward pressure.

Global fertilizer and feedstock exports as a share of global production



Note: DAP = diammonium phosphate; MAP = monoammonium phosphate. Data refer to 2024. Blue bars denote fertilizers and red bars denotes feedstocks. Source: S&P Global; The Energy Institute; The International Fertilizer Association (IFA); World Bank. Embed • Download image

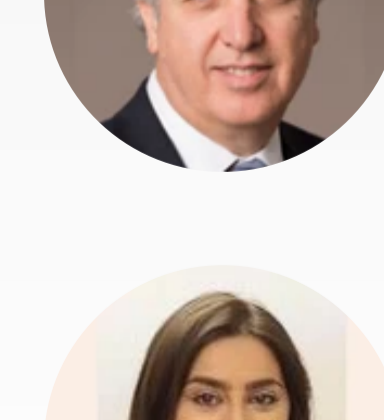
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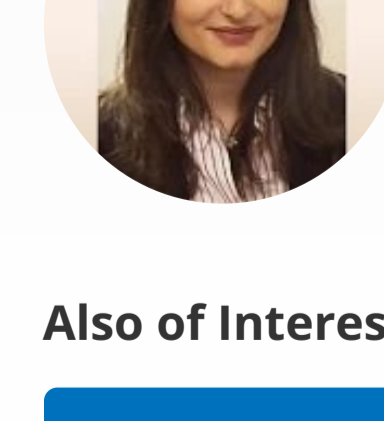
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