

'India is going to face a food crisis': Farmers panic over fertiliser shortages amid Iran war

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Gurvinder Singh never thought the war in Iran would touch his quiet corner of Punjab.

Yet looking out over his smallholding, where he alternates between wheat and rice crops in the state known as India's breadbasket, the 52-year-old farmer can barely think of anything else. His anxiety over a conflict playing out thousands of miles away is crippling as he fears what will come of this season's rice crop.

"We are already struggling with profits," Singh said. "If we don't get fertilisers, there will be less yield. That will affect my entire family and the entire region, because we are completely dependent on agriculture."

"We are praying this war stops because it will not spare us either," he added.

Iran's decision to blockade one of the world's critical shipping routes, the strait of Hormuz, in retaliation for the US and Israel's decision to launch strikes on the country over a month ago, has sent the world into a dizzying tailspin over the impact on oil and gas supplies from the Gulf states, which are now facing a global shortage.

Yet analysts and global bodies warn that this impact will soon extend far beyond exorbitant prices for oil barrels and could prove devastating for global food security. There are rising fears of food shortages and shrinking stockpiles, particularly in developing countries, as agriculture is incapacitated. The World Food Programme has estimated that an extra 45 million people could be pushed into acute food insecurity if the conflict does not end by June.

Experts say South Asian countries such as India and Sri Lanka are particularly vulnerable, due to their heavy reliance on imported fertilisers and imported gas and fuel for farming. India is the world's second-largest fertiliser consumer after China, using more than 60m tonnes annually, and most of its exports - including both finished products and raw materials - usually come from Gulf countries, shipped through the strait of Hormuz.

In countries such as India, the ripple effects of a gas and fertiliser shortage could be felt for months to come, affecting what crops farmers are able to plant and how much they yield, which could ultimately translate into stockpiles of essential produce such as rice falling short.



▲ Farmers plant rice saplings in a field on the outskirts of Amritsar, Punjab, India. Photograph: Narinder Nanu/AFP/Getty

The ability for farmers to water, harvest, process, store and transport crops will also be drastically hit by oil and diesel shortages and surging electricity prices, triggering further worries over shortages.

India spent more than 1.8tn rupees (\$22bn) on fertiliser subsidies in 2023-24, underscoring how critical is it to India's farmers and how sensitive the agriculture sector is to global price shocks. Devinder Sharma, an agricultural economist, said early signals pointed to tightening supplies and rising costs due to the war that were already being passed on to farmers. "Indian agriculture remains heavily dependent on

chemical fertilisers. Any disruption quickly creates anxiety," he said.

The conflict has already begun to strain supply chains. Farmers say they are particularly concerned about urea, the nitrogen-based fertiliser that is central to India's farming. It is widely used as a primary nutrient and its annual consumption is about 35m to 40m tonnes. While much of it is produced domestically, production relies on imported natural gas, which is already in tight supply in the country. Gas supplies to these factories have been cut by 30%.

In key grain-producing states such as Punjab and Haryana,

farmers say the immediate impact is not yet visible but there is panic. Procurement for the *kharif* season typically begins in May, ahead of sowing of crops such as rice and cotton in June and July, leaving a narrow window before fertiliser shortages could start to affect the harvest yield.

The *kharif* season in India usually produces about 100m tonnes of rice. Farmers would usually buy fertiliser in the next 15 to 20 days, but many are stocking up in advance. "In my 35 years in this business, I have not seen such panic," said Prakash Limbuyya Swami, a fertiliser retailer in Hubballi, Karnataka.

Officials are insistent that

fertiliser plants are operating normally and that buffer stocks are higher than last year, despite earlier reports suggesting that several plants are facing gas shortages.

"Currently, we have higher stocks compared to last year, indicating a healthy supply position," said Aparna S Sharma, a senior official in the department of fertilisers, adding that sourcing is being diversified beyond traditional suppliers in the Gulf.

But despite these assurances, anxiety persists among farmers. Many small-scale farmers in India already operate with heavy losses and are crushed by debt, despite substantial state subsidies for crops, in a system that agricultural experts have long described as broken and exploitative.

"Because of the panic, farmers around me have started hoarding fertilisers, despite their limited shelf life," said Tejveer Singh, whose farm is in Ambala in Punjab. "Any shortage will affect our productivity. Farmers are already under stress due to rising costs. This will be a big blow."

In Sri Lanka, the fears of running low on essential crop nutrients have proved particularly haunting. It was less than five years ago that the country's farmers faced a similar situation, amid an economic crisis that left Sri Lanka unable to buy imported fertiliser, and resulted in devastating profit losses and shortages of essential crops.

According to a UN report, Sri Lanka was highlighted as one of the most vulnerable countries after Sudan if the conflict in the Gulf dragged and continued to block fertiliser supplies.

P Amila, a farmer from Bibila in Monaragala district, said he was already being warned of massive price increases. As a result, he had decided not to sow next season's rice crop over fear of getting into greater debt.

"This is the most volatile situation I have faced in 30 years of farming," he said. "It won't be easy in the future. I worry, what will people do when they don't have rice to buy?"

The Sri Lankan government said they had taken steps to control prices and ration and fairly distribute fertiliser to the regions that needed it most, particularly the districts on the east coast where the next yala harvest seasons had already begun for rice.

But Anuradha Tennakoon, the chairman of the National Agrarian Unity, warned that Sri Lanka's impending fertiliser crisis was even bigger than its fuel crisis.



▲ Farmers block a road in the outskirts of Amritsar, India, to demand a minimum support price for crops. Photograph: Narinder Nanu/AFP/Getty