Food and Agriculture Organization of the United Nations

The Conflict in the Middle East
Policy Recommendations to Prevent a Global Food Crisis

18 May 2026

Immediate Recommendations

1. Trade flows and emergency logistics

- Countries should rapidly secure alternative trade corridors by land and sea, including through Oman, the Red Sea, and other non-Hormuz routes, to reduce dependence on vulnerable maritime chokepoints. Because land transport and alternative ports cannot fully replace lost maritime capacity in the short term, governments should prioritize coordinated logistics planning, faster customs procedures, and emergency shipping arrangements.
- Governments should avoid export restrictions, particularly on fertilizers and agricultural inputs, because these measures intensify global shortages and disproportionately harm poorer, import-dependent countries. While some governments may rely on temporary government-to-government agreements to secure supplies, flexible international markets remain essential for efficient allocation during crises.
- Humanitarian food flows should remain exempt from trade restrictions, so that food assistance can continue crossing borders. At the same time, humanitarian agencies require logistical support mechanisms, including buffers to absorb rising fuel, transport, and last-mile delivery costs linked to higher energy prices. The crisis is already increasing delivery delays and operational costs for humanitarian organizations.
- Governments, international organizations, private actors, and financial institutions should coordinate emergency interventions immediately rather than waiting for markets to stabilize naturally, because the impacts of the supply shock intensify over time.

2. Emergency agricultural response

- Traditional emergency support systems that distribute urea-intensive seeds and inputs risk reinforcing the problem during a fertilizer shock. Instead, emergency programs should promote intercropping systems that combine staples such as wheat and maize with legumes that require less nitrogen fertilizer and help restore soil nitrogen naturally.
- Expanding access to legumes can also improve nutrition and resilience during crises because these crops are more protein-rich and less dependent on synthetic nitrogen inputs.

- Humanitarian and agricultural agencies should coordinate seed access and emergency distribution systems so that lower-nitrogen cropping systems can be scaled rapidly rather than relying exclusively on conventional fertilizer-intensive models.

3. **Targeted social protection and demand adjustment**
    - Governments should activate highly targeted support systems focused on vulnerable rural populations, particularly smallholder farmers facing rising energy and transport costs. This requires digital registries, updated beneficiary rosters, and better targeting systems capable of identifying vulnerable rural households in real time.
    - Blanket subsidies and generalized price controls should be avoided because this is a supply shock, not a demand shock, and blanket subsidies are fiscally costly, regressive, and ineffective. Wealthier households and larger producers typically capture a disproportionate share of untargeted subsidies because they consume more energy and fertilizers.
    - Markets and consumption patterns should adjust to restricted supply conditions. Those better able to absorb higher costs should reduce energy and fertilizer consumption. The government focus should be to support the most vulnerable through social protection programs that are well targeted.
    - Governments should prepare now for rising food inflation in the coming year, particularly in vulnerable importing countries, because delayed transmission effects mean the largest impacts may emerge months after the initial energy and fertilizer shock.

Medium-Term Recommendations

1. **Energy shortages and biofuels**
    - Countries should avoid artificially increasing biofuel demand during the crisis because it intensifies competition between food and fuel production at a time of restricted supply and high input costs. Excessive diversion of crops, fertilizers, water, and land toward biofuel production could worsen food inflation and deepen supply constraints in places where food is becoming scarce.
    - While biofuels can help diversify farmer incomes and energy sources under normal conditions, emergency policies that artificially stimulate biofuel demand during a supply crisis risk worsening shortages by redirecting scarce agricultural resources away from food production.
    - Policymakers should carefully manage the balance between energy diversification and food security so that short-term energy responses do not amplify longer-term food crises.

2. **Financing farmers and agribusinesses**

- Farmers, agro-dealers, processors, and traders facing sharply higher input and energy costs require rapid liquidity support and access to credit. Agricultural credit programs should include preferential interest rates, grace periods, and repayment windows long enough to cover multiple production cycles, particularly through 2026 and 2027. The challenge is that these measures generally only reach formal-sector businesses and producers.
- For formal-sector actors, international financial institutions should channel financing through second-tier financial institutions capable of delivering credit to farmers, small- and medium-sized enterprises, traders, and processors, while preserving liquidity across agrifood value chains.
- Financing must arrive quickly enough to influence planting, fertilizer use, and crop decisions before the next agricultural season, because delayed support risks locking in lower production and higher future food prices.
- Credit systems should help farmers adapt production decisions rather than forcing them into sharp production cuts. Access to liquidity can allow farmers to shift toward less fertilizer-intensive crops while maintaining production and income stability.

3. **Formalization and financial inclusion**

- The crisis should be used as an opportunity to formalize informal farmers through cooperatives, farmer groups, and associations that can provide access to financing and resilience programs. International financial institutions can support these efforts.
- Electronic farmer registries should be expanded to improve access to loans, insurance, risk scoring, and future risk-management tools. They would also strengthen long-term resilience and integration into formal financial systems.
- Improved farmer data systems would also help governments and financial institutions target support more effectively during future shocks and expand access to agricultural insurance and digital finance systems.

4. **Country-level financing and import support**

- Countries struggling with rising fertilizer and food-import bills require balance-of-payments support and expanded financing facilities for critical imports. Existing food-import financing mechanisms should be broadened to support agricultural inputs as well.
- International financial institutions and regional development banks should accelerate fast-disbursing financing instruments. Grant-based support should be expanded for countries already in debt distress that cannot absorb additional borrowing.

- Financial facilities should be designed to arrive before import shortages become acute, because countries and farmers are already making decisions on fertilizer purchases, planting, and agricultural investment.
- International financial institutions such as the IMF, the World Bank, regional development banks, and IFAD should coordinate financing tools that reduce liquidity constraints without worsening debt vulnerabilities.

5. **Adaptation rather than full transformation during the crisis**
    - Farmers should be supported to shift toward less fertilizer-intensive crops such as legumes, adopting intercropping systems that combine legumes and cereals, and oilseeds where appropriate.
    - Early warning systems and information tools should guide more efficient fertilizer use and crop decisions. The focus should be on practical adaptive measures that can be implemented quickly rather than attempting a complete agricultural revolution during an active shock.
    - Policymakers should prioritize rapid adjustments that improve resilience immediately, including crop switching, fertilizer efficiency, and improved soil management, while recognizing that deeper structural transitions require longer time horizons.

<u>Structural Recommendations</u>

1. **Infrastructure and trade resilience**
    - Countries should invest in diversified ports, roads, railways, warehouses, logistics hubs, and alternative trade corridors to reduce dependence on chokepoints such as the Strait of Hormuz.
    - The crisis demonstrates the importance of increasing warehouses, logistical buffers, strategic reserves, and stronger regional and domestic connectivity to absorb geopolitical and climate-related disruptions.
    - Infrastructure investments should strengthen both international and domestic trade systems, improving resilience not only to geopolitical shocks but also to droughts, floods, and climate-related transport disruptions such as low river levels and damaged transport corridors.
    - Countries should also invest in strategic reserve systems, including regional and subregional mechanisms, to provide temporary buffers for critical inputs such as fertilizers during future supply shocks.

2. **Extending the energy transition into agrifood systems**

   - Agriculture remains heavily dependent on diesel-based irrigation, pumping, and local power generation, particularly in developing countries. Countries should expand rural electrification, connect agricultural systems to cleaner and more diversified energy grids, and replace diesel systems with electric and solar-powered alternatives. This especially is essential for irrigation systems.
   - These investments should be supported through concessional financing and soft loans because they improve both resilience and long-term productivity.
   - Electrified mechanization and automation technologies, including drones and precision agriculture tools, should be expanded to improve resilience and reduce exposure to oil price shocks.
   - Extending clean energy systems into agriculture would generate climate and carbon benefits in addition to improving resilience. It would also support broader rural development and electrification.

3. **Long-term transformation of fertilizer systems**

   - Fertilizer efficiency should improve through soil mapping and precision fertilizer application tailored to crop and soil conditions. Better soil mapping would help farmers apply only the nutrients actually required by crops, improving efficiency while reducing waste and fertilizer misuse.
   - Although green ammonia and related technologies are promising, they are not yet cost-effective at scale. Long-term innovation funds and research investments are needed to accelerate commercially viable alternatives.
   - Fertilizer strategies should also integrate better soil practices, biological solutions, and crop innovation to improve nutrient absorption and long-term soil health.
   - Investment should also support innovation in green ammonia, alternative fertilizers, biostimulants, microorganisms, crop genetics, and other technologies that improve nitrogen capture and nutrient efficiency.
   - Governments and private companies should cooperate to develop standardized soil and fertilizer mapping systems as public goods, including integrating private fertilizer company soil maps into common standards.
   - There is no universal technological solution. Fertilizer strategies must remain context specific, science driven, and adapted to local conditions. Synthetic fertilizers should be combined with better soil management and biological solutions.

4. **Anticipatory action and macroeconomic resilience**
    - Countries should strengthen macroeconomic preparedness for food inflation, rising import bills, debt distress, and future agrifood shocks.
    - Governments and institutions should expand anticipatory action systems, insurance mechanisms, and integrated monitoring tools capable of identifying risks before crises escalate.
    - FAO supports countries through early warning and monitoring systems that track climate, markets, trade, and supply disruptions, particularly as a potential severe El Niño could intensify existing energy and fertilizer shocks.

More information:

FAO *The Work We Do* Podcast Special Episode 3. Strait of Hormuz Crisis
https://youtu.be/tUYsXroGIns