Kinvia
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Canadian Feed The Children

ISSUE UPDATE
APRIL 2026

CLOSURE OF THE STRAIT OF HORMUZ INTENSIFIES GLOBAL FOOD INSECURITY RISKS

SITUATION AS OF MID-APRIL 2026

- The situation remains fluid, with conditions continuing to evolve.
- A **temporary ceasefire** is in place although its duration and stability remain uncertain.
- The Strait of Hormuz has partially reopened, with vessels operating under **restricted and closely monitored conditions** amid a **continued military presence** in the region.
- Shipping volumes remain **well below normal levels**, and a significant backlog of vessels continues to move slowly through the Strait.
- Even with the reopening, **supply chain disruptions are expected to persist** for several months as backlogs clear and systems stabilize.

The escalation of conflict in the Middle East and the effective closure of the Strait of Hormuz has disrupted global energy, fertilizer, and food systems, putting at risk the 2026 growing seasons in many of the countries where Kinvia works.

The Strait of Hormuz is a critical global trade corridor, carrying roughly one-fifth of the world's oil supply, significant volumes of liquefied natural gas, and approximately one-third of internationally traded fertilizer. These disruptions are driving price increases across fuel, agriculture, and food systems. These shocks come as many countries were only beginning to stabilize following successive crises, adding new pressure to already strained supply chains and increasing risks in fragile economies.

> ***"All roads lead to higher prices and slower growth."***
>
> INTERNATIONAL MONETARY FUND

The effects are global but uneven. Countries that depend on imports for fuel, food, and agricultural inputs — particularly low-income economies — are experiencing the most immediate impacts.

Energy prices are moving through interconnected supply chains

The current disruption is rippling out across interconnected energy, agriculture, and food systems.

The reduced flow of oil has pushed up global energy prices, contributing to one of the largest oil market disruptions in recent history. In the early weeks of the conflict, crude prices rose by an estimated 15 to 25 percent compared to pre-conflict levels, reflecting both supply constraints and market uncertainty.

Higher fuel costs are increasing transportation and production expenses across sectors. In sub-Saharan Africa, where countries rely heavily on imported fuel, including Ethiopia, Uganda, and Ghana, rising prices are increasing import bills, placing pressure on foreign exchange reserves, and increasing the cost of government fuel subsidies. In Latin America, Bolivia faces a similar dynamic, paying more for imported refined fuels, adding strain to public finances and energy pricing systems.

Photo: Sasakawa Africa Association, Ethiopia

Fertilizer supply constraints are affecting production decisions

Fertilizer supply chains are under intense pressure. At the height of the disruption, shipping traffic through the Strait fell by an estimated 90 to 95 percent, with only a fraction of typical daily vessel transits.

Agricultural production depends on the timely application of nitrogen, phosphorus, and potassium. When fertilizer is unavailable or unaffordable, farmers reduce application, plant fewer crops, or shift to lower-input varieties — all of which reduce yields.

Rising input and energy costs can also influence how land is used, with increased pressure in some places to divert crops and agricultural resources toward production of biofuel rather than food, further tightening global food supply.

"Farmers are facing a dual cost shock from rising fertilizer and fuel prices."

UN FOOD & AGRICULTURE ORGANIZATION

These impacts are particularly acute for smallholder farmers, who often operate at sub-commercial levels with limited financial buffers. While some use organic inputs or low-input methods, these approaches are not widespread enough to offset current shortages.

Smallholders face the immediate prospect of higher costs for inputs and for fuel to transport their goods to markets, along with a reduction in yields that negatively impacts their overall income. Many are likely to reduce input use, compounding the hit they are taking on productivity and income.

Food availability and affordability are under pressure

Lower yields, combined with higher production and transport costs, are expected to reduce food supply and increase prices. The International Food Policy Research Institute has documented the link between input cost shocks, reduced yields, and food price increases.

Staple crops — wheat, rice, and maize — are particularly sensitive to fertilizer availability and together provide more than half of global dietary calories. Reduced production of these crops affects the food available for household use as well as that needed for livestock production, further compromising food security.

In response to rising costs and reduced feed availability, some smallholder households may be forced to sell livestock to meet immediate needs. This can provide short-term income but undermines longer-term food security and livelihood stability.

The World Food Programme projects that up to 45 million additional people could face acute hunger if the disruption persists into 2026.

> ***"Global food insecurity could reach record levels."***
> WORLD FOOD PROGRAMME

Impacts are concentrated in low-income, import-dependent economies

The current shock, according to the International Monetary Fund, is "global, yet asymmetric." Countries with high import dependence and limited fiscal buffers — many of them low-income — are most exposed.

Photo: International Budget Partnership, Ghana

In these countries:

- Food accounts for a large share of household spending;
- Price increases translate quickly into reduced access to food; and
- Governments have limited capacity to offset rising costs.

At the macro level, higher import bills for fuel, food, and fertilizer are widening trade deficits, weakening currencies, and tightening financial conditions.

Within low-income countries, low-income households and smallholder farmers are disproportionately burdened, with rising costs and a more precarious social safety net deepening existing vulnerabilities.

> ***"Low-income countries are especially at risk of food insecurity; some may need more external support — even as such assistance has been declining."***
> INTERNATIONAL MONETARY FUND

Country-level implications for Kinvia partner contexts

Across Ethiopia, Uganda, Ghana, and Bolivia, the impacts of these disruptions are being felt most acutely by individuals and households already facing multiple, overlapping pressures. Many are contending with the cumulative effects of conflict, climate variability, inflation, and slow economic recovery from the COVID-19 pandemic.

Rising food prices, reduced agricultural productivity, and the increasing cost of basic goods translate directly into fewer meals, lower dietary diversity, and difficult trade-offs. These pressures are particularly acute for smallholder farmers and low-income households, and even more specifically for women and girls in these households.

As UN Women has clearly documented, women and girls pay a greater price in the face of climate and economic shocks. In Ethiopia, Uganda, and Ghana, where women are central to both food production and household food management, rising costs and reduced food availability often mean that women and girls absorb the impact through reduced consumption, increased labour and care burdens, and further limits on access to already-constrained resources. These pressures can affect girls' education, as when resources are scarce, girls' education is often deprioritized in favour of girls' labour.

Ethiopia: Reduced input use and heightened food insecurity risk

Ethiopia's reliance on imported fertilizer, combined with high levels of food insecurity, increases exposure to current disruptions. Farmers were already facing affordability challenges. Many have been pushed to their limits as a result of repeated years of droughts and flooding and by ongoing conflict in Amhara and Oromia, which continues to disrupt livelihoods

Ethiopia

and market access, and is causing widespread internal migration adding pressure to already-strained systems.

Further increases in fertilizer prices are likely to reduce application rates during the current planting period and ahead of the main season — which begins in June and accounts for approximately 85 to 90 percent of total annual production — causing intensifying levels of hardship and poverty.

Uganda: Rising production costs and higher food prices

Many households in Uganda depend on smallholder farming for both income and food, and have few financial reserves, making them particularly sensitive to increases in fertilizer and fuel prices.

As in other African contexts, higher costs are likely to reduce input use, which are already low due to poverty, subsistence-level farming, and limited adoption of climate-resilience farming practices. This will affect yields and market supply and, with

Photo: Economic Policy Research Centre, Uganda

transportation costs also rising, will lead to lower production, lower profitability, and lower income for smallholders, along with lower household purchasing power just as food prices escalate.

Ghana: Inflationary pressure and constrained fiscal response

Ghana is affected through both agricultural impacts linked to worsening climate variability — including droughts, flooding, and declining soil quality — and broader economic pressures in recent years, such as high inflation, currency depreciation, and constraints on public spending for social programs.

In northern Ghana, where there is only one main growing season beginning in May, access to fertilizer during this period is critical. Limited availability or higher costs can reduce application rates, lowering yields for the entire year with no opportunity to recover lost production.

At the same time, higher import costs for fuel and agricultural inputs are contributing to rising inflation and renewed increases in food prices, while currency pressures continue to raise the cost of essential goods. Together, these factors are reducing both food availability and household purchasing power, with the greatest impacts felt by low-income households and smallholder farmers in northern Ghana.

Ghana

Bolivia: Input cost increases and fiscal pressure

Bolivia is affected through both energy and agricultural channels. Rising global prices are increasing the cost of fuel and agricultural inputs and driving a rise in inflation, while water scarcity in some regions is adding pressure to agricultural production.

These factors are expected to increase food production costs and consumer prices. As public finances come under pressure — including the rising cost of energy subsidies — governments have less capacity to respond. Indigenous Peoples and low-income households often bear the greatest impacts through higher costs and reduced access to support.

Bolivia

Short-term outlook: Elevated prices and continued uncertainty

The near-term outlook depends on whether the current ceasefire holds, and the extent to which supply disruptions continue. With that caveat, the following trends are likely over the next three to six months:

- Continued volatility in energy markets
- Sustained fertilizer supply constraints
- Rising global food prices
- Increasing pressure on low-income and import-dependent economies

Even if shipping activity improves, disruptions during key planting periods occurring now may affect agricultural output beyond the immediate crisis.

Canada: Indirect but potentially significant effects

Canada is less directly exposed to the closure of the Strait of Hormuz but will experience spillover effects.

Higher global energy prices have already increased domestic fuel costs. While Canada produces significant volumes of grains and livestock, prices are determined by global markets, meaning rising global food prices are also likely to affect grocery prices here at home.

These impacts are not evenly distributed. Indigenous Peoples in Canada already face higher food costs and structural barriers to access — particularly in northern and remote communities where both household food access and supply chains rely heavily on transportation. This means that further increases to fuel and food prices are likely to deepen existing inequities.

Sustained increases in energy and food prices may also contribute to broader inflationary pressure and slower economic growth, as higher costs move through supply chains.

Ahtahkakoop Cree Nation

Implications for Kinvia's work

The current disruption reinforces the importance of resilient food systems that are rooted in local production and supply chains; less dependent on imported inputs (fuel, fertilizer, food); and better able to withstand external shocks.

In response to the current situation in the Middle East, Kinvia is collaborating with our local partners in Ethiopia, Ghana, Uganda, and Bolivia to:

- Support smallholder farmers facing higher input costs;
- Monitor changes in food access and affordability;
- Work alongside communities to strengthen their capacity to manage economic shocks; and
- Adapt programming to best meet community-defined priorities.

What's ahead

The near-term outlook remains uncertain and will depend on whether the current ceasefire holds and how supply disruptions evolve.

The closure of the Strait of Hormuz has amplified existing vulnerabilities across global systems. For many households, the effects are already being felt in higher food prices, reduced access to food and income, and increased uncertainty.

Disruptions to the global supply of critical inputs affect economies across multiple sectors. **As we learned during the long and uneven recovery from the pandemic, supply chain snarls and resulting inflation affect people asymmetrically, and are likely to persist even if a resolution is achieved relatively quickly.**

Ongoing monitoring will be essential to understand how these pressures evolve and to inform our response.

Ethiopia

Learn more about Kinvia's work. kinvia.ca

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