

## Bhushan Namdeorao Yengade on how Hormuz blockade is pricing out world's vulnerable

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The Strait of Hormuz is often viewed through the lens of oil prices, but Bhushan N. Yengade, Founder of Binder Technology Consultancy, warns that the market is measuring the wrong metric. In his latest keynote, "Starvation Risk: Mapping the Hormuz Energy Crisis to the Global Food Supply Chain" Yengade argues that while energy security dominates headlines, the "nexus" of energy and food has created a systemic risk that the global economy has yet to fully price in. Market volatility is usually measured in basis points; Yengade is measuring it in kilocalories.

His research identifies a critical decoupling in the global supply chain. The Strait of Hormuz serves as a vital artery for 30 per cent of internationally traded fertilizers. For agricultural giants like India and Australia, the dependency is even more acute,

relying on this transit for 81 per cent and 72 per cent of their ammonia imports, respectively. This bottleneck has created what Yengade calls a "fertilizer time bomb." Due to the inherent lag in agricultural cycles - where today's inputs determine next year's yields - the global market is currently operating under a false sense of stability. Yengade supports the World Food Programme's projections - the full force of this disruption will hit in Q3 and Q4 of 2026, culminating in a "nutritional catastrophe."

The humanitarian implications are staggering. The World Food Programme projects that 363 million people will be acutely food-insecure by mid-2026. This isn't just a supply issue; it is a pricing crisis. The FAO's (2025) stated that a 10 per cent increase in food prices results in a 3.5 per cent rise in severe food insecurity is being tested in real-time. Yengade notes that soaring energy costs are inflating logistics and processing expenses, effectively pricing the world's most vulnerable populations out of the market before the food even reaches a shelf.

Furthermore, the "global baskets" specifically India and China are facing a severe supply-side squeeze. As internal pressures mount, these nations may be forced to implement aggressive export bans to protect their own buffer stocks. Such protectionism would trigger a total supply collapse in the international market, leaving import-dependent nations in Sub-Saharan Africa and Southeast Asia with no recourse.

Yengade also points to the often-overlooked failure of secondary infrastructure. It is not just the fertilizer itself; petroleum-based packaging materials are in short supply, and the escalating cost of fuel is causing a breakdown in the cold supply chain. This increase in logistical wastage means that even the food that is produced is less likely to reach the consumer in edible condition.

For Yengade, the conclusion is a stark directive for global policy: the focus must shift from purely military maneuvers to the active preservation of maritime routes essential for agricultural inputs. Without a coordinated effort to de-risk the "fertilizer arbitrage," the world faces a systemic failure that no amount of monetary policy can fix. The geopolitical focus on oil may secure the lights, but it is failing to secure the plate.