



A War in West Asia, a Worry in the Paddy Field: How a Distant Conflict Reaches Odisha's Farmer

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To a farmer flooding a paddy plot in Bargarh, or a shrimp-pond owner near Paradeep, a war in the Middle East can seem like someone else's tragedy on the evening news. Yet the price of the urea he buys, the diesel in his pump, and the freight on the seafood he sells are all quietly tied to that distant turmoil. When West Asia trembles, the tremor travels through oil markets, fertilizer ships, and shipping lanes until it lands, firmly, in Odisha's fields. The 2026 conflict has made that link impossible to ignore. Here is how the journey unfolds.

The fertilizer squeeze hits hardest

This is where the damage bites deepest, and least visibly. India leans heavily on the Middle East for the nutrients that feed its crops the region accounts for nearly 35% of India's total fertilizer imports [1]. And the dependence is starker than the headline suggests. India makes most of its own urea, but the natural gas that fuels urea plants is heavily imported about 30–35% of it arrives as LNG and prices and supply both spike when the Gulf is in crisis [2]. By March 2026, Indian fertilizer plants that had been running at 95% capacity were down to 78%, simply because the gas wasn't arriving [1].

For phosphates and potash, the exposure is even sharper: DAP relies on imported raw material for 85–90% of its feedstock, and potash (MOP) is essentially 100% imported [2]. Prices have followed. Urea has jumped more than 75% over the year, trading near USD 700 a tonne in some markets, while DAP and ammonia products are up around 20% [2]. War-risk insurance on cargo ships leapt 400% in a single quarter a surcharge that eventually shows up in the cost of every sack [1].

Odisha sits unusually close to this story. The state is home to one of India's big phosphatic-fertilizer manufacturing complexes at Paradeep a plant that runs on imported phosphoric acid, rock phosphate, and ammonia. When ships are blocked or rerouted, it is precisely that raw-material pipeline that chokes. So Odisha doesn't just buy fertilizer caught in this crisis; it helps make fertilizer, and feels the disruption at the factory gate too.

There is a thin cushion. India entered the Kharif sowing season with healthy stocks total fertilizer inventories up about 37% over the year, DAP stocks more than doubled. But potash stocks actually fell, and a cushion only delays a shock; it doesn't cancel it [2,6].

The diesel that runs a farm

The Middle East sits at the heart of the world's oil trade, so any flare-up pushes crude prices up fast. By March 2026 oil was hovering around USD 112 a barrel and for a farmer, oil is not

an abstraction [1]. It is the diesel in the irrigation pump, the fuel in the tractor, and the cost of the lorry to the mandi.

Land-preparation costs have climbed about 15% in a year. Hiring a combine harvester and moving grain to market costs more, eating into margins even after the government raised support prices. Even the plastic mulch films and pesticides farmers use made from oil-refinery byproducts have risen 12 to 18% [1]. For Odisha's mostly small and marginal farmers, who have little buffer to begin with, these costs stack up into the difference between a viable season and fresh debt.

The long way round: the “distance tax” on exports

A conflict in West Asia rarely stays put. Trouble around the Red Sea has turned the Suez Canal for decades the reliable shortcut to Europe into a high-risk zone. Ships now detour around the southern tip of Africa, adding 6,000 to 8,000 kilometres and burning an extra million dollars or more in fuel per round trip. A voyage that took 22 days can now take 45 [1].

That delay is poison for anything perishable. Freight rates are up 20 to 40% and marine insurance by as much as 50%, with carriers piling on war-risk and fuel surcharges [2]. For Odisha, the casualty is clear: the state's frozen shrimp and other seafood exports are exactly the kind of perishable, time-sensitive cargo that suffers most from longer transit and stranded containers. The pond-owner and the processor both see it in the price they finally get.

The national experience with Basmati rice is a warning of how fast this works: high freight has made Indian Basmati about USD 150 a tonne dearer than its Pakistani rival, and trade snarls with Iran cut shipment volumes by roughly 30% [1]. Logistics costs can dismantle an export's edge in a single season.

The rupee adds to the bill

When conflict spooks markets, money flees to the safety of the US dollar, and the rupee weakens it slid to about 92.33 to the dollar in March 2026. A weaker rupee automatically makes imported potash and crude oil costlier. And for small exporters, the wait between shipping goods and getting paid has roughly doubled, locking up the cash they need to run the next cycle [1].

The calm before the harvest

So far, the price of food on the Odisha thali has stayed relatively steady. That is not because the state is insulated it is because India is sitting on large grain stockpiles that are cushioning the blow. The catch is timing. The real impact of costlier inputs shows up only after the next crop cycle, six to eight months down the line [2,4,6]. The quiet now is borrowed time.

And Odisha cannot be complacent. India already ranks a poor 102nd of 123 countries on the 2025 Global Hunger Index, with more than a third of its under-five children stunted [2]. Globally, the World Food Programme warns that an extra 45 million people could be pushed into severe food insecurity if the conflict drags past mid-2026 [3,5]. When input costs force farmers to use less fertilizer or plant less, it is always the poorest who pay first.

What can soften the blow

None of this is beyond response. The most useful steps for Odisha are practical:

- **Protect Paradeep's supply lines** by diversifying where its phosphoric acid, rock phosphate, ammonia and potash come from, and building strategic reserves.
- **Cut the diesel dependence in irrigation** by expanding solar-powered pumps, so a war in the Gulf no longer dictates the cost of watering a field.
- **Keep fertilizer flowing on time** through cooperative societies during the sowing window, when a few days' delay can cost a whole season.
- **Back the seafood exporters** with logistics and working-capital help while freight and insurance stay high.

- **Strengthen crop insurance and credit**, and guard the paddy procurement system through the months-long lag before prices catch up.

The bigger lesson

The West Asia conflict is a reminder that food security in Odisha is not decided by rain and soil alone. It is woven into oil markets, fertilizer ships, and shipping lanes that begin thousands of kilometres away. The farmer in Sambalpur and the tanker off the coast of Yemen belong, whether they know it or not, to the same fragile system.

For the policymaker, the task is to shorten that thread of vulnerability. For the farmer, the reality is simpler and harder: a war far away can raise the cost of the coming season before the first seed is even sown.

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