

## IRAN CONFLICT AND UKRAINIAN AGRICULTURE: FUEL, FERTILIZERS AND NEW RISKS FOR 2026/27

- *Climbing fuel prices in Ukraine may increase field work costs*
- *Smaller farms may be more affected by the risks, as they are likely to purchase inputs without long-term contracts or stocks building*

### Fuel prices surge in Ukraine amid Iran conflict and antitrust scrutiny

The escalation of Iran conflict on 28 Feb triggered an immediate reaction in Ukraine's fuel market. Within two days, wholesale prices rose sharply.

#### Average Prices, March 3-6 vs. 18-20 Feb

- gasoline - 60.05 UAH/l (€1.43/l), increased by 7.85 UAH/l from 52.5 UAH/l (€1.25/l)
- diesel - 67.34 UAH/l (€1.60/l), 14.07 UAH/l from 53.32 UAH/l (€1.27/l).

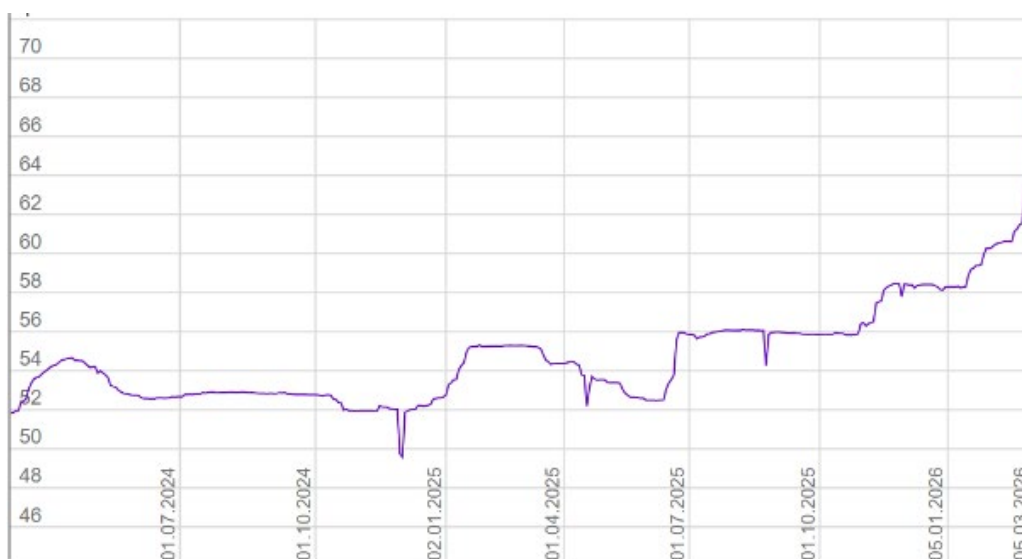
The scale and speed of the increase immediately drew the attention of regulators.

On 5 March, the Antimonopoly Committee of Ukraine (AMCU) issued a formal request to all fuel market operators, giving them three days to explain the reasons behind the rapid price surge for gasoline, diesel and LPG. Following the submission of official responses, the regulator plans to assess whether the price increase was justified by market conditions or whether elements of coordinated behavior may have been involved.

The government responded quickly. On 6 March, authorities announced that the state-owned company Ukrnafta will begin selling fuel with a minimal trading margin. The intention is to create a benchmark 'fair price' on the market and prevent further speculative price increases.

For farmers, the diesel spike is sensitive as fuel costs are a key component of spring fieldwork expenses across the Black Sea&Danube region. Even a short-term surge in diesel prices can immediately translate into higher production costs and tighter farm margins ahead of the planting. If tensions in the Middle East persist, fuel volatility could become another essential cost factor for farmers in the 2026/27 season rather than just a seasonal hike.

#### *Average diesel prices. Ukraine. UAH/l*



Source: [index.minfin.com.ua](http://index.minfin.com.ua)

## Impact of the Iran conflict on the fertiliser market

The escalation of tensions in the Persian Gulf has already begun to reshape global fertiliser markets through energy costs and supply risks. The immediate trigger was oil prices jump, with Brent rising to around \$82.6/bbl (even up to \$90 on Fri).

The main upward factor is natural gas prices, which follows the oil prices trends. The gas is the primary input for nitrogen fertiliser production. If energy prices remain elevated, fertiliser costs will follow. Even a temporary oil rise of around 20% can trigger a wave of higher nitrogen fertiliser prices globally and in Ukraine within weeks.

At the same time, the conflict threatens the supply side. The Gulf region accounts for a significant share of global urea exports, with Qatar, Saudi Arabia and Iran among the world's largest suppliers. Any disruption in production or exports from the region immediately tightens the global balance and urea prices have already risen sharply.

### Gas price in the EU, ICE, March 4 2026



Source: ice.com

The increase in the gas cost in Europe (which may increase significantly due to the shortage of LNG) will make fertiliser imports even more expensive. Grain drying in elevators in Ukraine is mainly at the expense of gas, the price of which increased by 20% and reached 28 000 UAH/1000 (USD641) including VAT- the highest level since June 2025.

In Ukraine, geopolitical shocks translate much more directly into price volatility. Ukraine fertiliser prices in 2026/27 are likely to rise by 7-11%, driven by energy costs, tighter global supply and higher logistics expenses.

## Iran conflict and production costs in Ukraine

So, the real risk for Ukraine is not sales, but cost. The key uncertainty remains the duration of the conflict. A short disruption may produce only temporary volatility, but a conflict lasting longer than a month can correct fuel and fertiliser prices upward in 2026/27 season.

The total cost of the 2026 spring plantings for Ukrainian farms may be 10-15% higher than the budget expectations formed last fall. It should be noted that large players purchase fertilisers in advance and will be less affected, but smaller producers may purchase fertilisers 'from the wheel'. All this forces some farmers to abandon intensive technologies and reduce fertiliser application rates, which may affect yields.

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