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Is a global 5F crisis coming?

An India-first reality check for 2026 and 2027, and what every household should do about it

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EXECUTIVE SUMMARY

A real crisis, mostly about prices. India is bruised but well buffered.

Day 210Strait of Hormuz
effectively shut since
28 February 2026**\$107**Brent crude per barrel
on 28 September**5.95%**India food inflation in
August, and rising**13%**Monsoon shortfall,
weakest season since
2015**₹96**Rupee per US dollar, a
record low

Why we looked into this

Over the past few weeks our inboxes and family WhatsApp groups have filled up with the same warning. A huge global crisis is supposedly six to eight months away, food and fertiliser will run short, and 2027 will be worse than COVID. Then the External Affairs Minister said something similar in New York, and people started asking us whether it was true.

So we went through the numbers. We looked at oil and shipping data, fertiliser markets, the monsoon, inflation, RBI signals and what the PM and Dr Jaishankar actually said, word for word. We wanted to know three things. Is this real? How badly could it hit an ordinary Indian household? And what should families do about it, if anything?

THE SHORT ANSWER

Yes, there is a crisis, but it is mainly about prices. Nobody serious is forecasting famine in India. The Strait of Hormuz has been more or less shut for seven months, fertiliser is scarce and expensive, and India has just had its weakest monsoon since 2015. Put those together and 2027 looks like a hard year for food prices everywhere.

In India, expect about twelve months of tight budgets. A COVID-style shutdown is very unlikely. Food inflation is close to 6% and climbing, the rupee is past 96 to the dollar and interest rates are about to go up. On the other hand, government grain stocks are far above the required buffer and the economy is still growing at close to 7%.

For families, the advice is fairly old-fashioned. Keep a small rolling stock at home and skip the bulk-buying. Build up savings. Use less fuel, less cooking oil and fewer dollars. Bring back the best of how our parents managed money. Above all, stay calm, because panic is the one thing that can turn a price problem into a real shortage.

SECTION 1

What is driving the crisis talk

People are not imagining this. We are in the eighth month of the worst oil supply disruption ever recorded, and farms feel these things a season or two later. Four separate problems have piled up at the same time.

1 The Iran war and the Strait of Hormuz

The strait has been effectively closed since 28 February 2026. Roughly a fifth of the world's oil and significant LNG volumes normally pass through it. The International Energy Agency has called it the largest supply disruption in the history of the oil market. A ceasefire on 8 April did not restore traffic, and fighting flared again in September.

2 Where it stands now

Brent crude topped \$107 on 28 September after Washington rejected Tehran's offer to reopen the strait within a week. Transits were 132 ships in the week to 27 September, a fraction of normal. Houthi forces have also taken Mocha near the Bab al-Mandab, threatening the Red Sea bypass Saudi Arabia relies on.

3 Fertiliser, then food, with a delay

West Asia supplies about 42% of global urea exports and 27% of ammonia exports. FAO's Director-General warned that today's fertiliser shortfall carries forward into the next harvests, tightening food supplies through late 2026 and 2027.

4 A strong El Niño on top

JPMorgan's report *Food Security Is National Security: A Compounding Storm* projects global food inflation near 5% annualised in the first half of 2027, up from 2.8% a year earlier, and names India among the most exposed countries. The Council on Foreign Relations adds Black Sea grain attacks and says the real pain lands in the 2027 and 2028 seasons.

EXHIBIT 1 HOW A WAR IN THE GULF ENDS UP ON AN INDIAN DINNER PLATE



Put simply, the war chokes energy, expensive energy chokes fertiliser, farmers use less of it, yields slip and food gets dearer. There is evidence behind every one of those steps. The part that matters for us is how hard the last one lands in Indian kitchens.

Sources: Wikipedia; Al Jazeera; Washington Times; Rural News Group; Business Today; CFR; Inference analysis.

SECTION 2

The 5F scorecard

Fuel and fertiliser are already in serious trouble. Food is getting more expensive, but shelves are still full. Money markets and shipping are under strain and still working.

Dr Jaishankar spoke of four Fs (food, fuel, fertilisers and finance). We have added freight as a fifth, because blocked sea lanes are how the trouble travels from one F to the next.

EXHIBIT 2 RISK ACROSS THE FIVE FS, AS OF LATE SEPTEMBER 2026

F	GLOBAL EVIDENCE	WHAT IT MEANS FOR INDIA	RISK, NEXT 6 TO 8 MONTHS
Fuel	Brent between \$104 and \$108; Hormuz at day 210, with single-digit commodity transits on some days	India imports most of its crude; 61% of LPG was imported in FY26	High
Fertiliser	West Asia supplies about 42% of global urea and 27% of ammonia exports; Russia holds 18 to 20% of the market	Prices nearly doubled in some cases; opening stock of 163 lakh tonnes against a 380 lakh tonne year	High: cost Medium: supply
Food	FAO Food Price Index at 133.3 in August, highest since November 2022, yet 2026 world cereal output is still the second-largest on record	Weakest monsoon since 2015; food inflation 5.95% and rising; FCI stocks far above buffer	Med-high: prices Low: shortage
Finance	IMF's July baseline assumed Hormuz would reopen in mid-July, and it did not. World Bank sees 2.5% global growth in 2026	Rupee past 96 to the dollar; RBI likely to hike on 7 October; capital outflows	Medium-high
Freight	Hormuz shut; Houthis seized Mocha near the Bab al-Mandab, threatening the Red Sea bypass	Gulf shipping delays hit LPG, urea, DAP and related flows	High

Sources: Global Energy Flow; Goodreturns; GaiaGlint; Global Agriculture / FAO; Al Jazeera on IMF; World Bank; Daily Pioneer. Risk ratings are Inference judgements.

So what is this, really? Mostly a cost of living problem, sitting on top of a broken supply chain. Countries that import most of their food and have little money to spare, many of them in Africa and parts of South Asia, could see real hunger. India is in a much stronger position than that.



SECTION 3

What the PM and Foreign Minister actually said

Both leaders have been unusually blunt, though they are talking to different audiences. Dr Jaishankar was speaking to the world about a food crisis in poorer countries. Mr Modi has been speaking to Indians, and his message has been to save fuel and foreign exchange and to stay calm.

Yes, there was a hint. It was a request to be careful with money, and nobody in government has predicted shortages inside India.

EXHIBIT 3 THE STATEMENTS BEHIND THE HEADLINES, NEWEST FIRST

DATE	WHO	WHAT WAS SAID	WHAT IT SIGNALS
29 Sep 2026	EAM S. Jaishankar, Asia Society, New York	"There is gonna be a major food crisis probably, you know, in the coming months." Called food, fuel, fertilisers and finance an interconnected four-part crisis. The Tribune	Diplomatic framing for the Global South. The word "probably" matters
30 Sep 2026	Agriculture Minister Shivraj Singh Chouhan	Cut the 2026-27 foodgrain target to 373.93 million tonnes, 2.63 mt below last year, citing El Niño. Said fertiliser prices nearly doubled in some cases but there is "no shortage". Daily Pioneer	A trim of under 1%. Not a famine signal
15 Aug 2026	PM Modi, Red Fort	Criticised those "spreading rumours" of fuel and fertiliser shortages; said reserves kept petrol, diesel and gas available. Free Press Journal	Managing confidence and heading off panic
10 May 2026	PM Modi, Hyderabad	Seven appeals: use less fuel, carpool, revive work from home, skip foreign travel and gold for a year, cut edible oil, and for farmers to reduce imported fertiliser. News On AIR	The real tell. This is a foreign exchange and import bill problem, not a food stock problem
25 Mar 2026	PM Modi, Rajya Sabha	Formed seven empowered groups on fuel, fertilisers, gas, supply chains and inflation; asked citizens to "remain prepared for any eventuality" and states to curb hoarding. News On AIR	Crisis machinery switched on early

If you put these statements side by side, a pattern shows up. The government expects the world to have a rough year. It is counting on foreign exchange reserves and grain stocks to carry India through, and it wants households to spend fewer dollars. None of this framing is new, by the way. At the 2022 G20 summit Mr Modi said that today's fertiliser shortage would be tomorrow's food crisis. The opposition's complaint is that ministers talk about risk abroad while farmers at home are already paying far more for inputs ([The News Minute](#)).

SECTION 4 | PART ONE

Where India is exposed: El Niño, the rupee and the Gulf

India has some genuine shock absorbers going into 2027. It also has weak spots: a bad monsoon, a sliding rupee, heavy dependence on imported oil, and millions of jobs in the Gulf. Most families will notice this in their monthly bills long before they notice anything missing from the shops.

The monsoon failed

IMD confirmed a 13% shortfall, the weakest monsoon since 2015. East and Northeast India were 26% short. Milled rice output has been revised to 147 million tonnes from 154 mt. A very strong El Niño is projected through January, which threatens a warmer and shorter winter for the rabi wheat crop.

Food inflation is climbing

CPI rose from 3.93% in May to 4.82% in August. Food inflation hit 5.95%, rural food inflation 6.13%, and onion prices were up 48% on a year earlier. Rural India is hurting more than urban India.

The rupee and interest rates

The rupee has slipped past 96 to the dollar. Eight of ten economists polled by Business Standard expect the RBI's first rate hike on 7 October. That means costlier imports and costlier EMIs.

Gulf jobs and remittances

About 9 million Indians work in the Gulf. Around 984,000 Indians flew home between late February and mid-April, and Gulf growth is forecast to slow to 1.3% in 2026. Families in Kerala, UP and Bihar feel this first.

Cooking gas

The true cost of a 14.2 kg cylinder crossed ₹1,600, while Delhi households pay about ₹942. The government absorbs the gap. Ujjwala subsidised refills were cut to four a year in June, and that cushion depends on how much fiscal room is left.

Why El Niño matters here

El Niño is a warming of the eastern Pacific that weakens the winds carrying moisture to India. In about 60% of El Niño years since 1951 India has had a below-normal or deficient monsoon, and 2026 has followed that pattern.

Sources: Tech Times / IMD; SuperKalam; Finnovate; ChartForest; Business Standard; Reuters via Yahoo Finance; PIB; India.com.

EQUATORIAL PACIFIC | WARM ANOMALY

SECTION 4 | PART TWO

What protects India

The single biggest reason India will not see COVID-style ration panic is sitting in government warehouses.



1 Grain buffers

FCI held 68.3 million tonnes of rice and 53.4 mt of wheat on 1 June, well above buffer norms ([Vajiram & Ravi](#)).

2 Foreign exchange reserves

About \$766 billion in September ([Trading Economics](#)). That is enough to defend the rupee for a long while, though the reserves are being drawn down.

3 Growth momentum

GDP grew 7.8% in the April to June quarter, above the RBI's forecast ([Business Standard](#)). The IMF sees India at 6.4% in 2026 and 6.7% in 2027.

4 Administered prices

A fertiliser bag still costs farmers under ₹300, against around ₹3,000 abroad, by the PM's own account ([South First](#)). The cost moves to the government's budget rather than your plate, at least for now.

WHAT TO EXPECT

Empty shelves are unlikely. What is more likely is a slow squeeze. Picture food inflation somewhere between 6 and 8%, a rate hike or two, a weaker rupee, and a subsidy bill that the government may eventually pass on to us.

SECTION 5

Worse than COVID?

For most Indian families, probably not. COVID shut the economy down and wiped out incomes overnight. This time prices are rising while the economy keeps growing.

The catch is that this crisis could drag on longer, it hurts poorer households and import-heavy businesses more, and there is no vaccine to end it. Only a diplomatic deal can do that.

EXHIBIT 4 THREE SHOCKS COMPARED

DIMENSION	COVID-19 (2020 AND 2021)	2022 UKRAINE SHOCK	HORMUZ WAR AND EL NIÑO (2026 AND 2027)
Nature of shock	Demand collapse, lockdowns	Commodity price spike	Supply shock in energy and farm inputs, plus drought
India GDP	Shrank by roughly 6 to 7% in FY21*	Growth stayed around 7%*	7.8% in Q1 FY27; IMF sees 6.4% for 2026
Peak inflation	About 6 to 7%*	Peaked near 7.8% in April 2022*	4.82% now; RBI projected 5.9% in Q3
Global food prices	Moderate	FAO index peaked near 160 in March 2022*	133.3 in August 2026, rising
Jobs	Mass, sudden loss; migrant exodus	Limited	Gulf returnees, export MSMEs, farm labour in drought districts
Shelves and rations	Panic buying, broken logistics; free grain scheme	No shortages	Grain buffers ample; LPG and fertiliser rationed through subsidies
The way out	Vaccines, reopening	Grain corridor, prices easing	Hormuz reopening plus a normal 2027 monsoon

* Approximate figures from earlier published data that we have not re-checked for this piece. The 2026 figures are sourced elsewhere in this report.

Could it end up worse than COVID? It could if Hormuz stays shut until the middle of 2027 and next year's monsoon fails as well. Grain stocks, the subsidy bill and the rupee would all be tested at once. We think that is unlikely, but it is the scenario worth keeping an eye on.

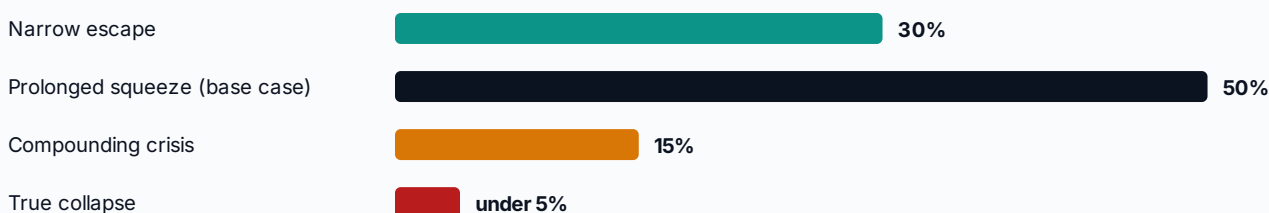
SECTION 6

How the next 6 to 8 months and 2027 could play out

Our best guess is a long, uncomfortable stretch of high prices. We do not expect a collapse.

The odds below are our own judgement, partly shaped by the [Atlantic Council's four scenarios](#) for the food crisis. Treat them as a rough guide and not an official forecast.

EXHIBIT 5 INFERENCE ODDS FOR EACH SCENARIO



SCENARIO	WHAT HAPPENS	IMPACT ON INDIAN HOUSEHOLDS
Narrow escape	A deal reopens Hormuz by early 2027; fertiliser prices ease as 2026 ends	Food inflation peaks near 6% then cools; one RBI hike
Prolonged squeeze	The strait stays mostly shut through the first half of 2027; El Niño dents the rabi crop	Food inflation of 6 to 8%, fuel and LPG hikes, two or three rate hikes, weaker rupee, more Gulf job losses
Compounding crisis	War spreads to the Red Sea; oil above \$130; the 2027 monsoon is also weak	Double-digit food inflation, export bans, subsidy cuts, rationed LPG refills
True collapse	Global recession plus famine in import-dependent nations	Severe stress, worse than COVID

Signposts to watch each month

- Weekly Hormuz transits. Normal is well over 100 a day; recent weeks saw about 130 a week
- Brent crude above or below \$100
- India's food inflation crossing 7%
- The RBI's 7 October decision and its inflation forecast
- Rabi wheat sowing in November and December, and winter temperatures
- IMD's first 2027 monsoon forecast in April
- Any export ban on rice, wheat or sugar, which would signal worry at home

SECTION 7

Household playbook: how every Indian family should prepare

Plan for about a year of higher prices and the chance that someone's income takes a hit. There is no need to plan for the end of the world. And please do not hoard.

Hoarding is exactly what turns expensive food into missing food, which is why the Centre has asked states to crack down on it.

Kitchen and essentials

- ☐ Keep a rolling four to six week stock of staples you already eat: rice or atta, dal, oil, sugar, salt, tea. Use the oldest first and refill as you go. This is buffering, not stockpiling
- ☐ Book your next LPG refill on time and keep a backup, like an induction cooktop or PNG if your area has it
- ☐ Cut edible oil use. It is also an import the PM has asked citizens to reduce
- ☐ Rotate in millets and seasonal, local vegetables. They are less exposed to imported inputs
- ☐ Keep a basic medicine kit for chronic conditions in the family, refilled monthly

Money

- ☐ Build or top up an emergency fund that covers six months of essential expenses
- ☐ Expect higher EMIs if the RBI hikes. Check whether your home loan is floating-rate and plan for a bigger instalment
- ☐ Postpone large spends that need dollars, such as foreign trips and imported gadgets
- ☐ Do not panic-sell investments or rush into gold. Review your allocation calmly with a qualified adviser
- ☐ If anyone in the family works in the Gulf, plan for a job or remittance gap now

Energy and getting around

- ☐ Carpool, use public transport, and work from home where you can, as the PM urged in May
- ☐ Service vehicles and appliances for efficiency. Small savings add up when oil is above \$100 a barrel

Community

- ☐ Check on elderly neighbours and domestic staff. The poorest households feel food inflation first
- ☐ Trust official sources like PIB, RBI and IMD over WhatsApp forwards before acting on a rumour

This is general information, not personal financial advice. We are not financial advisers.



SECTION 8

Should we go back to our parents' way?

Partly, yes. Our parents got through lean years by being careful with money, eating with the seasons and leaning on neighbours, and those habits suit a price shock well.

Some of what they did was a response to problems India has mostly left behind, though, and copying everything could do more harm than good.

EXHIBIT 6 WHICH HABITS TO BRING BACK

HABIT	REVIVE?	WHY
Monthly ration list and a small rotating stock	Yes	Smooths out price spikes without hoarding
Cooking what is local and in season	Yes	Less exposed to imported fertiliser, diesel and freight costs
Millets, pulses, home-made over packaged	Yes	Cheaper and less import-linked. The PM has pushed millets since the 2022 G20
Kitchen garden, terrace pots, curry leaves, greens	Yes	Small but real savings, and a bit of resilience
Repair, reuse, mend before replacing	Yes	Cuts spending on imported goods
Saving a fixed share of income first	Yes	The emergency fund is the modern grain bin
Joint-family and neighbourhood sharing	Yes, adapted	Pooling bulk buys and childcare stretches budgets
Gold as the main safety net	Rethink	Gold jewellery prices are up about 35% in a year and gold is a dollar import. The PM asked citizens to pause buying for a year
Bulk-buying a year of grain	No	Spoilage and pests, and it drives the very shortages you fear. FCI already holds the national buffer
Cash under the mattress	No	Inflation eats it. A bank FD or liquid fund does the job more safely
Firewood or kerosene to save LPG	No	Indoor air pollution is a serious health risk. Use induction or PNG as the backup instead

The real lesson. What we should really borrow from them is the attitude. Spend less than you earn, waste nothing, think a season ahead, and look out for the people around you.

SECTION 9

Myth vs fact: where the narrative becomes a story

There is a real problem here, and there is also a WhatsApp version of it that has been blown well out of proportion. These are the claims we kept seeing, checked against the evidence.

CLAIM GOING AROUND	VERDICT	EVIDENCE
"The world will run out of food in 2027"	False	FAO puts 2026 world cereal output at 2,980 million tonnes, the second-largest harvest on record. The problem is price and access, not total supply
"India will face shortages like COVID"	Unlikely	FCI grain stocks are well above buffer norms. COVID shortages came from lockdowns, not missing grain
"The PM has secretly warned us to stockpile"	Misread	Mr Modi asked citizens to save fuel, gold and foreign exchange, and asked states to stop hoarding. In August he criticised rumour-spreaders
"Jaishankar confirmed a crisis is coming"	Half-true	He said a major global food crisis is "probably" coming, aimed at the Global South and rich-country policy. It was not a prediction of famine in India
"Farmers face 50% yield losses"	Needs context	That is the ceiling for farmers who get no fertiliser at all, from a CropGPT survey. CFR notes soil reserves may hold 2027 yields close to flat
"Food prices will explode"	Partly true	JPMorgan sees global food inflation near 5% in the first half of 2027. India's food inflation is near 6% and rising. Painful, but nowhere near hyperinflation
"This is World War 3"	Hype	It is a serious regional war with global spillover. The IMF's July update said the world economy has weathered the shock better than feared

Sources: Global Agriculture / FAO; Vajiram & Ravi; News On AIR; Free Press Journal; The Tribune; CFR; Business Today; Al Jazeera on IMF.

A SIMPLE TEST BEFORE YOU FORWARD ANYTHING

If a message names a date for total collapse or tells you to buy a year's worth of supplies, be suspicious. Genuine warnings usually come with numbers, a named source and more than one possible outcome.

APPENDIX

Method and sources

How we did this

We reviewed official statements, central bank and statistics releases, multilateral outlooks (IMF, World Bank, FAO) and reporting from established outlets between 29 September and 2 October 2026.

Where a figure was older or could not be re-checked, we have marked it approximate. Scenario odds and risk ratings are the judgement of the Inference research desk, not official forecasts.

Important

This report is for general information. It is not financial, investment or legal advice. Things are moving fast, so check the latest data before acting on any figure here.

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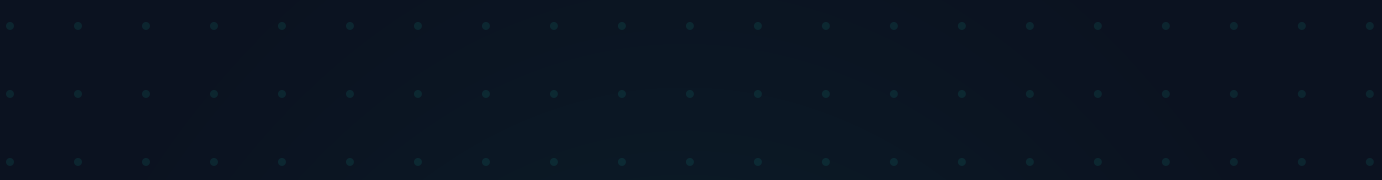
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