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Post Hormuz: A Report of the UAE Food Chain from Farm to Shelf

SOMA MATER convened a roundtable at Capital Club Dubai to discuss the Strait of Hormuz disruption on the UAE's food supply chain. This report presents the main discussions and findings across the room.

SOMA MATER
Capital Club Dubai



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About the Authors

SOMA MATER is a UAE-based research and advisory consultancy focused on food and water security and Net Zero transition. The company combines regional expertise, in-depth research, and stakeholder engagement to help governments and businesses navigate complex policy and industry challenges across the MENA region. It also helps clients identify emerging opportunities and develop practical strategies for greater resilience. The company treats food, water and energy as one interconnected system, where decisions in one area shape the others.

Executive Summary

When the **Strait of Hormuz** was disrupted in **February 2026**, the **United Arab Emirates** faced port diversions, higher freight rates, and supply shortages. This report captures an industry roundtable hosted by **SOMA MATER** at **Capital Club Dubai**. It brought together senior practitioners from local agricultural production, commodity imports, and retail to examine how grocery shelves remained stocked and **where vulnerabilities still exist**. Government coordination and alternative overland routes prevented widespread food shortages, but businesses cannot absorb rising expenses indefinitely, and the country's food security cannot hold on to temporary fixes to the crisis.

The report lays out several strategic paths for commercial leaders and policymakers. First, companies must adopt ***resilience strategies*** built for recurring shocks rather than assuming a return to pre-February conditions. The report also calls for ***stronger stakeholder communication*** to give clearer signals and greater confidence for investment in the supply chain. It then recommends documenting and ***creating real-world case studies*** to protect the nation against recurring global trade shocks.



Introduction

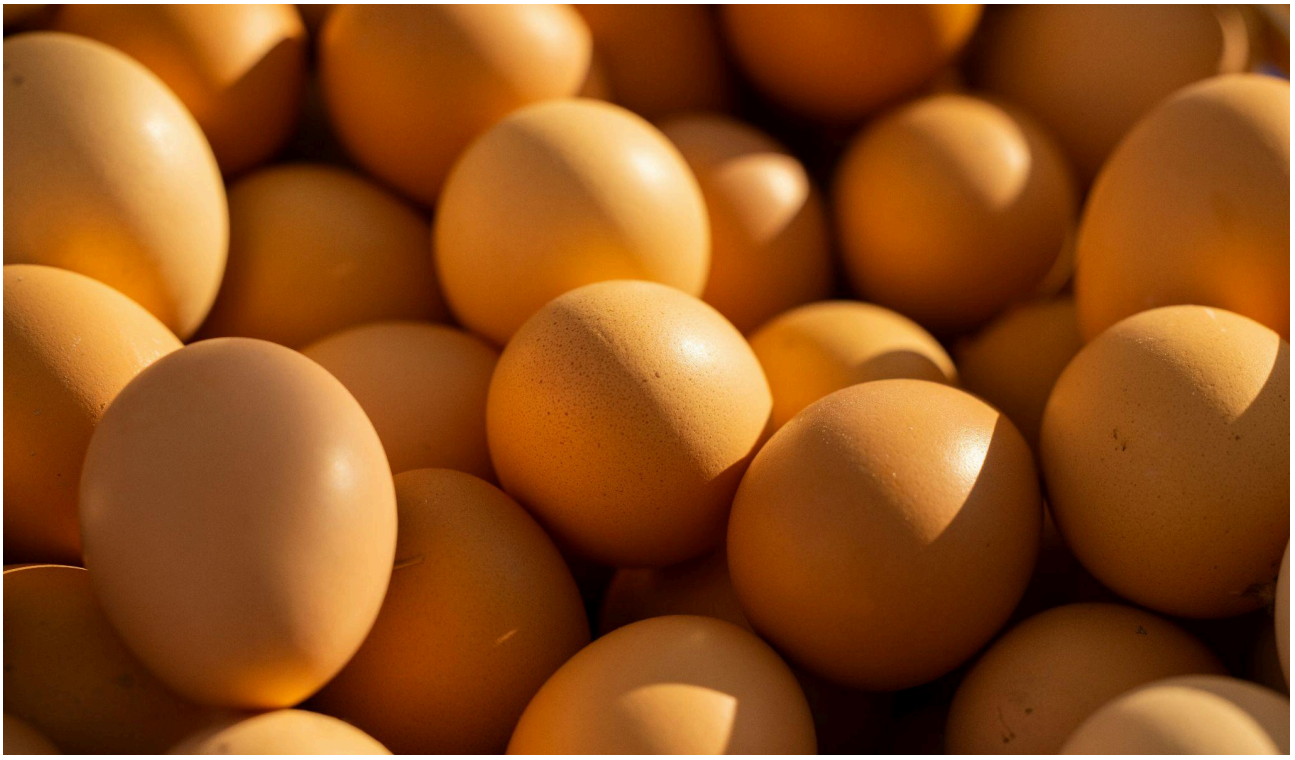


Since the outbreak of conflict in the Gulf in **February 2026**, **Iran** has restricted traffic through the **Strait of Hormuz**. Shipping and trade routes continue to be disrupted to this day. This situation has revealed the extent to which the UAE's food supply depends on interconnected supply chains. Although the nation has invested in domestic food production, the movement of food still relies heavily on international shipping, port infrastructure, transport networks and imported agricultural inputs.

Almost nine months later, the shift in port activity reveals how much has changed. Container volumes at **Jebel Ali** dropped by nearly **60%** in the first half of 2026, while the east coast ports of **Fujairah** and **Khor Fakkan** took over much of the Gulf terminals' role. Khor Fakkan’s throughput, for example, increased roughly **25-fold**. Because the region imports an estimated **70–90%** of its staple foods and around **70%** of Gulf food imports are estimated to transit the Strait, this is a food-security challenge as much as an energy and logistics issue.

To address these vulnerabilities, in October 2026, **SOMA MATER** convened a roundtable at **Capital Club Dubai.** The discussion was moderated by **Sheikh Dr. Majid Al Qassimi (CEO Founder of SOMA MATER)** and gathered senior practitioners from different stages of the supply chain. These participants included a domestic agricultural producer (**Yazen Al Kodmani, General Manager of Emirates Bio Farm)**, a logistics and commodities operator responsible for bringing bulk and containerised food into the country (**Sachin Matpal, Executive Vice President at Al Ghurair**), and a food retailer serving consumers directly (**Sunil Kumar Sekharan, CEO of Spinneys Dubai**). They discussed what changes mean across production, logistics and retail, as well as which adaptations will stay after the immediate disruption. This report synthesizes their different perspectives.

Production: What the Disruption Means on the Ground



Key components in the local food systems are still vulnerable. Food producers, even circular operations, remain exposed as packaging and animal feed still need to be imported into the country. For some producers, delayed egg packaging shipment made it difficult for products to reach shelves. Replacement packaging had to be sourced from neighbouring Oman. The current situation highlights the **distinction between having food available and having a food system that can reliably deliver it (accessibility)**. Local food production companies can fail to deliver, when a single component of their value chain is missing.

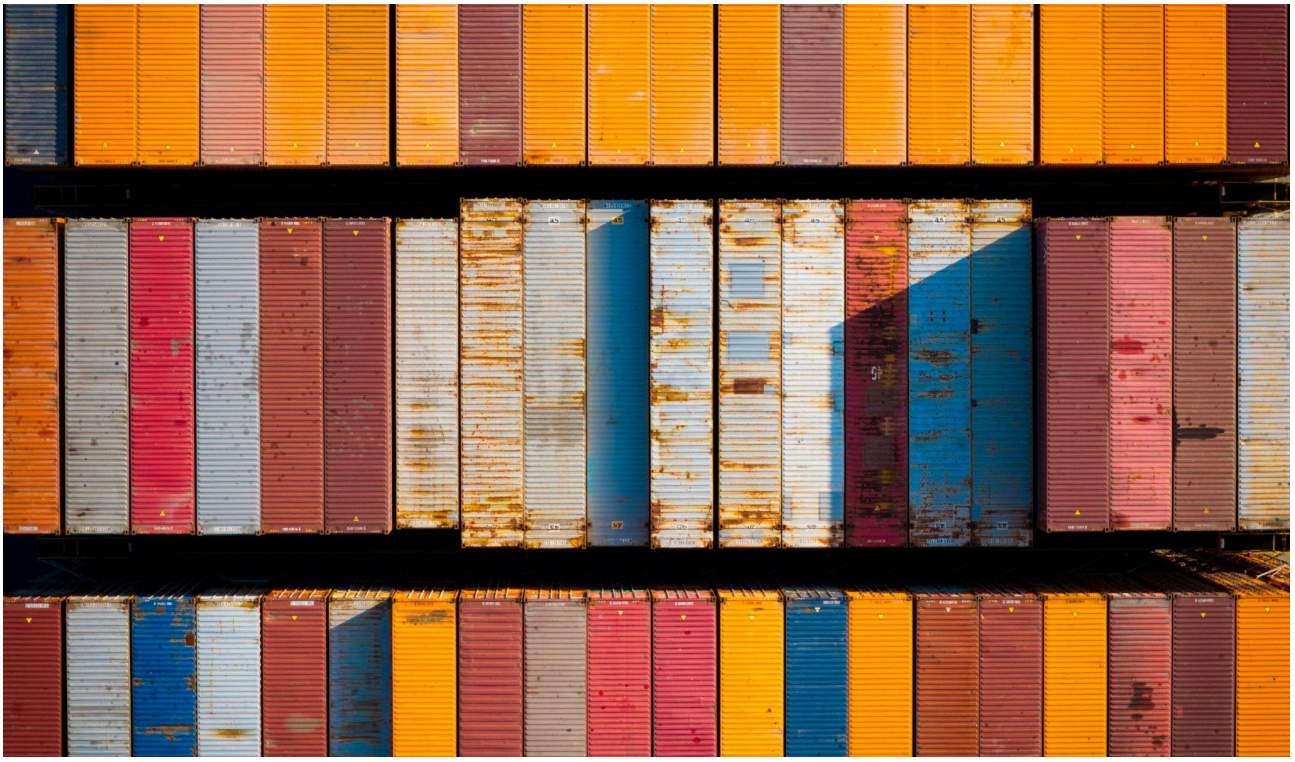
Beyond physical inputs, **the greatest operational difficulty for producers is uncertainty.** With containers now taking **2-3 months** to arrive, producers **struggle to decide when to reorder, how much stock to hold, and whether to commit capital**. Agriculture is especially exposed to these delays because production cannot be scaled instantly in response to sudden shifts in demand. For example, **producers cannot increase the number of eggs available because demand rises during a crisis**. An increase in poultry production, for example, involves a cycle of **around 2 years**. Investment decisions in this sector must be made well in advance and can take **7-15 years** to repay. Producers depend on the confidence that demand will remain after the disruption has passed. This confidence is precisely what producers, and the wider food system, currently lacks.

In spite of the situation, the speed of the government's response has provided vital support. Communication channels between government departments and businesses were made available within less than 24 hours of the disruption starting. Even smaller operators were included in discussions during this period. This outreach gave businesses a direct channel to communicate problems and seek assistance. Yet producers' reactions varied across the sector. Many postponed orders and investments in

the hope that costs would fall quickly and are now paying around **$10,000–14,000 more per container**, while waiting **90 to 120 days** instead of **10 to 15**. While the businesses that kept orders as usual received shipments before conditions worsened. This visible commitment from the government gave businesses the confidence to keep investing, and that **confidence helps keep the system moving**.

> **“Confidence helps keep the system moving.”**

Logistics: Moving Food Through the Supply Chain



Delay at sea has disrupted industrial production on land. Flour production depends on imported wheat, while other processing operations rely heavily on bulk commodities. For instance, when canola cargo could not reach the port or plant, downstream production of canola oil was immediately affected. To put port congestion in perspective, Jebel Ali handled **3.1 million twenty-foot equivalent units (TEU)** in the first half of 2026, compared to some **18 million TEU** in the whole of the previous year. This decline is pushing east-coast ports to absorb more cargo. Khor Fakkan is now targeting a capacity of **10 million TEU** over the following **2-3 years**, while **DP World** is planning two berths at Fujairah for 2028. These gateways help keep goods moving, but also concentrate pressure on infrastructure not originally designed for such high volumes.

Under these conditions, reliable access to cargo matters more than securing the cheapest freight rate. Costs have been rising through vessel hire, bunker fuel, war-risk insurance, congestion, detention and inland transport. Some operators are paying **$1.5 to 2 million** in insurance for a **60,000-tonne** wheat shipment transiting the Hormuz. Overall shipping bills have risen to **3 to 5 times** normal levels, with some container movements rising from around **$1,000** to **$10,000–12,000** and potentially **$15,000**. Container shortages from China, Italy and other countries and prolonged voyages of up to **70 days** further weaken planning reliability. Once several new routes begin competing for the same cargo, prices should fall. Yet this is not expected to happen soon. Without a prediction of when the disruption will end, **businesses are willingly giving up some margin to shield consumers**. When hope that disruption will end quickly fades, costs begin to pass down the chain. In some cases, if the financial squeeze goes far enough, small intermediaries such as truckers can drop out entirely.

Similar to the producers' concerns, **unpredictability is the operational problem for logistics**. Businesses can adjust to a known **50-or 70-day** journey, but cannot plan confidently when arrival dates keep shifting continuously. **Alternative routes hold great strategic value even when they are initially more expensive**. For example, road routes were used from the **United Kingdom** through **Belgium**, **Italy**, **Egypt, Saudi Arabia,** to the **UAE** to reduce transit to about **17 days** compared with sea freight's near **50 days**. **The option was costly, but cheaper than air freight while still keeping products on shelves.**

Retail: From Distribution to the Consumer



The retail sector is where upstream disruption reaches consumers. At the height of the initial shock, nearly **20%** of retail shelves for some retailers were affected. Flight cancellations were disruptive as some fresh-food operations in the UAE relied heavily on air freight and suppliers in Europe. Overall product availability fell to around **70%** before recovering to approximately **86%**, compared to a normal level of about **92%**. Since some retailers manage nearly **24,000** stock-keeping units, restoring basic availability **did not immediately bring back the full range of conventional, organic, and premium choices customers expected**.

Operating costs also multiplied dramatically. Refrigerated containers cost rose from about **$3,300 to $9,000**, dry containers from **$1,100 to $7,500** on one route, and air freight from roughly **AED6 to AED10** per kilogram. As a concrete example, the retail price for a premium pineapple increased from **AED17 to AED35**. Overall store traffic remained broadly steady for some retailers, but the average customer basket value has fallen. This decline means that **customers have started trading down to less expensive alternatives**. To accommodate this shift, retailers provide their private-label ranges so shoppers can access at least **10%** lower-priced alternatives while receiving at least **5%** higher quality.

These higher costs need to be absorbed in the end. **Businesses are accepting to lower margins and draw on buffers to protect consumers**. Yet the longer the disruption continues, the harder this becomes to sustain. Suppliers, warehouses, transporters and retailers must all cover higher operating costs. Price controls on essential products and government support, including working-capital assistance, have helped moderate the immediate impact, yet they cannot erase the underlying cost pressures. Although some producers have not yet raised prices, they fear that a prolonged disruption could make this unsustainable.

Synthesis: Connecting the Chain

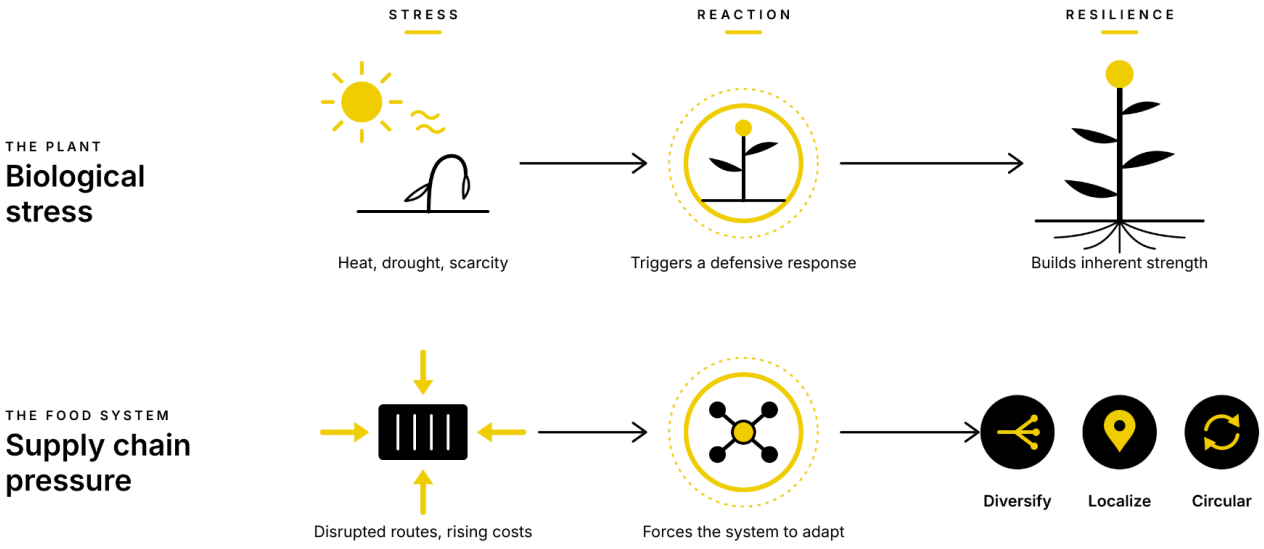


One main overarching theme emerged from the roundtable: **resilience is a system property**. Imported feed and packaging affect farms, port and inland capacity affect processors, refrigeration affects product safety, and retail demand determines whether local production can justify investment. **In sensitive geopolitical situations, a simple operational element like a cold chain can become a critical fault line**. In one case, for example, **six 40-foot** refrigerated containers of pastry had to be discarded entirely after defrosting because a single power connection was left unplugged. This failure would have stayed undetected by a normal retailer or wholesaler and shows the consequences of basic operational failures in a pressured supply chain.

Across the room, **government coordination was credited at every stage of the chain**. This included establishing direct communication lines to producers and granting port priority for essential food cargo. Building on this coordination, **traceability** is a safeguard for local food security. When retailers build direct partnerships with farmers, it helps to eliminate blind spots that emerge when produce passes through many traders. This requires a connected “systems view” of the domestic supply chain, including oversight of sweet-water irrigation, treated fertilizers, and post-harvest standards.

The discussion also clarified that environmental priorities will remain important. Long-distance trucking is only a temporary fallback solution. In order for domestic processing, more efficient routes and expanded rail to further support both resilience and sustainability, they will rely on the environment. For example, groundwater is still the UAE agriculture’s fundamental constraint regardless of the shipping crisis. It is not a matter of prioritizing ‘resilience’ or ‘sustainability’, but recognizing that these words are being used interchangeably in the sustainability sector. In reality, **resilience is sustainability.** For example, when biological stress is added to a plant, it triggers a reaction that creates inherent strength (or resilience). Just like a plant under stress, the current supply chain pressure will force our systems to diversify, localize, and become more circular.

> **“Just like a plant under stress, the current supply chain pressure will force our systems to diversify, localize, and become more circular.”**



Main Takeaways & Conclusion

A Resilience Strategy

Resilience cannot depend on emergency measures alone. The UAE's response demonstrated rapid government coordination. Yet, moving beyond short-term crisis response will need more predictable, multi-year demand signals. Domestic agricultural producers and industrial processors need contractual confidence that local retailers and buyers will continue purchasing their goods even when cheaper international imports eventually return. Without this framework, uncertainty will continue to stall capital-intensive domestic investments (as it has done during the current disruption). SOMA MATER believes in building a ***resilience strategy*** for these companies. It includes diversified sourcing, alternative transport corridors, stronger domestic processing and manufacturing, and better contingency planning across the food chain. **The companies in production, logistics and commodities, and retail sectors within the UAE need a strategy built for eventual shocks, ensuring options and scenarios are available**.

Increased Stakeholder Communication

Local food production needs a more connected ecosystem. The Strait of Hormuz disruption showed that food security cannot be achieved by domestic agriculture alone when missing imported components prevent local distribution. A ***resilient supply chain*** needs end-to-end alignment across every link. Port throughput and alternative overland routes govern industrial processing, consistent refrigeration protects perishable foods, and direct retail partnerships eliminate wholesale blind spots with traceability. This all exists within the context of ecological limits, such as groundwater in the UAE being a real constraint on domestic farming. Long-term alignment requires the strategic ***stakeholder communication*** that SOMA MATER provides between public bodies, private enterprises, and supply chain innovators. This gives local businesses the confidence to invest.

Lesson Retention and Visibility

Apart from greater collaboration, **the UAE needs to retain the lessons generated.** There is a great opportunity for businesses, innovators, and public institutions to document real-world interventions through ***case studies and make these learnings accessible across the ecosystem***. By capturing lessons on local procurement contracts, port routing, and cold-chain integrity, policymakers can design targeted policy and legislation, giving commercial businesses the visibility necessary to allocate long-term capital with confidence.

This crisis has shown that the UAE food system is capable of responding. Despite being under noticeable strain, the system is not in crisis. Yet, the uncertain **duration of the conflict remains the single biggest threat to the system.** The real value that comes from these situations are the lessons and the evolutions of the system. Only when the private sector and the government combine efforts, can we have a long-lasting implementation of a resilient system.