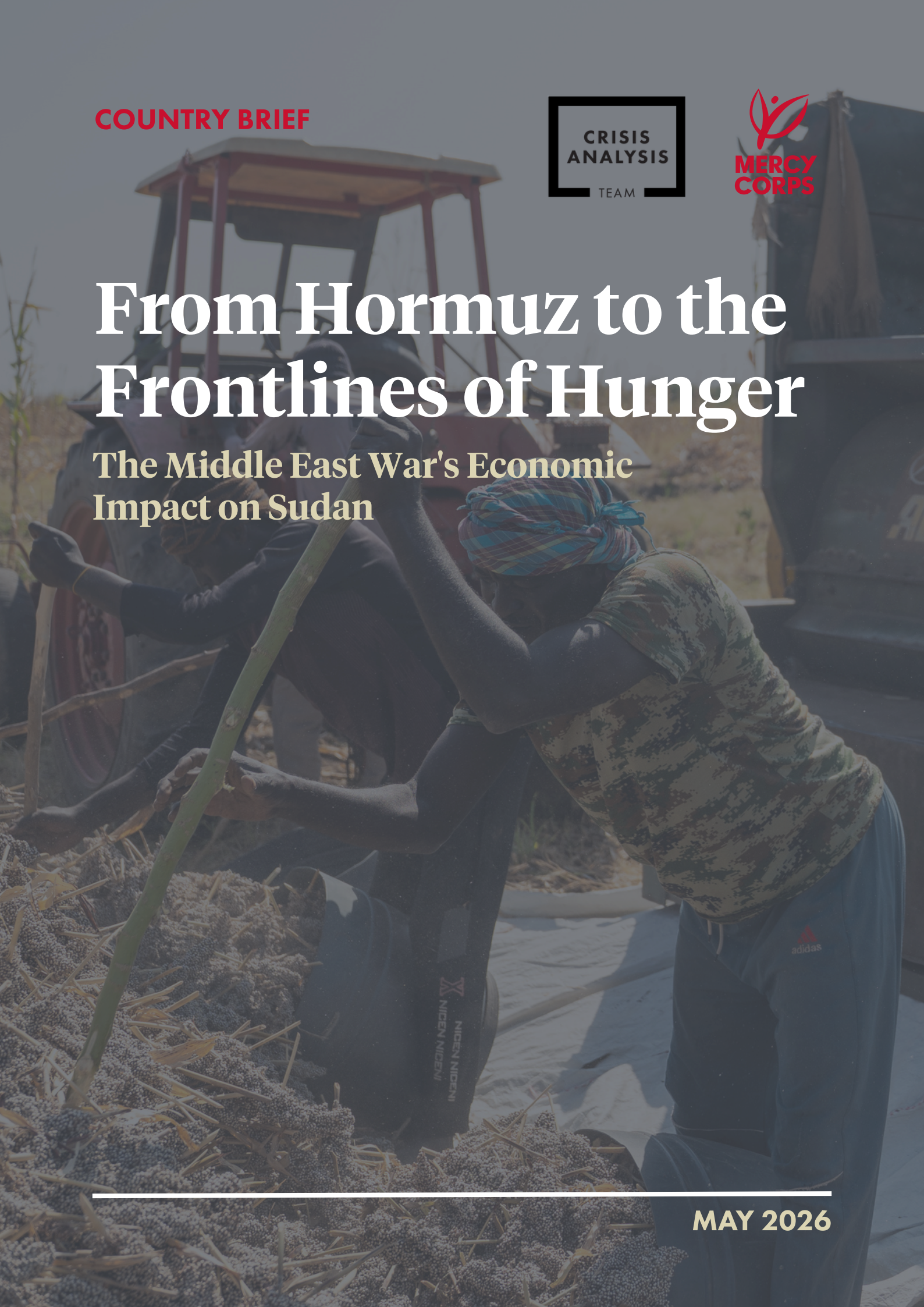


COUNTRY BRIEF



# From Hormuz to the Frontlines of Hunger

The Middle East War's Economic Impact on Sudan



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MAY 2026

## Executive Summary

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Just over two months after the latest outbreak of conflict in the Middle East and the effective closure of the Strait of Hormuz, economic shocks have reverberated through countries worldwide. These shocks have quickly travelled through key transmission channels – fuel prices, fertilizer availability, food costs, and currency instability – with serious consequences for millions of people globally. Sudan faces these pressures from an extremely fragile position: the country has been in an active civil war between the Sudan Armed Forces (SAF) and Rapid Support Forces (RSF) since April 2023, and the Al-Jaili refinery – Sudan's primary domestic fuel source – was destroyed in July 2023, leaving refineries running at 15 to 20 per cent of capacity.<sup>1</sup> Port Sudan is the country's sole functioning international seaport, and Khartoum International Airport only recently open to traffic operates at a limited capacity. Economic harm from the Middle East war is already being transmitted to households in Sudan, and the country has neither the fiscal instruments, the functioning infrastructure, nor the funded humanitarian response to cushion any further deterioration.

The fuel shock is the most severe and immediate transmission channel, and it lands on a structural supply deficit that predates the Middle East war. In early April, parallel-market gasoline in the Khartoum region rose 66.7 per cent in a single week, from SDG 18,000 to SDG 30,000 per gallon.<sup>2</sup> Subsequent reporting showed that Khartoum forecourt petrol rose from SDG 18,400 to 26,000 per gallon between end-March and mid-April.<sup>3</sup> At the parallel market USDT rate – which reflects actual import cost reality – of SDG 4,070 per USD, the early-April peak is approximately USD 7.37 per gallon. The Central Bank of Sudan (CBOS) commercial rate of SDG 601 per USD applies primarily to customs calculations and does not capture what households and importers actually pay, which runs through Bank of Khartoum and parallel-rate channels.

In some cases, transportation of food items has become uneconomic. Transport costs have risen above the market value of the commodities being moved: one documented case records transport fees of SDG 1 to 1.2 million against cargo worth SDG 100,000 at destination.<sup>4</sup> For at least some commodity route combinations, rural producers can no longer move output to downstream markets because the fuel-adjusted transport cost exceeds the destination market value. Such cases are illustrative of the mechanism rather than evidence of a generalized halt; market monitoring in April and May will show how broadly the dynamic has spread.

Sudan's food security position was already severe before the Middle East war began. The September 2025 IPC analysis classified El Fasher and Kadugli in Famine (IPC Phase 5).<sup>5</sup> FEWS NET's February 2026 outlook places At-Tine, Kadugli, Dilling and the western Nuba Mountains in Catastrophe (Phase 5), with credible risk of renewed Famine in further parts of North Darfur and South Kordofan.<sup>6</sup> The IPC February to May

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<sup>1</sup> Xinhua (2026) 'Feature: Sudan faces worsening fuel crisis as prices soar', 7 April, citing the Sudanese Ministry of Energy and Petroleum. Available at: <https://english.news.cn/africa/20260407/3eb033b58b7d41afa85a08eb2973c9aa/c.html> (Accessed: 4 May 2026).

<sup>2</sup> Ayin Network (3ayin.com), "Sudan and escalating, crippling fuel prices," 3 April 2026 (subsequently syndicated on allAfrica.com). Cross-referenced with Xinhua. - Xinhua, "Sudan faces worsening fuel crisis as prices soar," 7 April 2026.

<sup>3</sup> Al Jazeera, "Sudan power crisis: Studying using candles, counting gas station trips," 16 April 2026.

<sup>4</sup> Ayin Network (2026) 'Sudan and escalating, crippling fuel prices', 3 April. Available at: <https://3ayin.com/en/fuel-4/> (Accessed: 4 May 2026), syndicated via allAfrica at <https://allafrica.com/stories/202604030012.html>.

<sup>5</sup> IPC (2025) *Sudan: Acute Food Insecurity Situation for September 2025 and Projections for October 2025–January 2026 and February–May 2026*, released 3 November 2025. Available at: <https://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1159787/> (Accessed: 4 May 2026).

<sup>6</sup> Famine Early Warning Systems Network (2026) *Sudan Food Security Outlook: Famine thresholds no longer met, but credible risk of Famine persists*, February 2026. Available at: <https://fews.net/east-africa/sudan/food-security-outlook/february-2026> (Accessed: 4 May 2026); Arab News (2026).

2026 projection places 19.1 million people – approximately 41 per cent of the population – at Phase 3 or worse.<sup>7</sup> The Middle East war's fuel and transport cost transmission is not the cause, though it is making it harder to respond to.

The humanitarian response is critically underfunded. The 2026 Sudan Humanitarian Response Plan is 18.8 per cent funded at 30 April 2026 against a USD 2.9 billion requirement, with USD 544 million received. Per-person funding stands at USD 16.15 against 33.7 million people in need.<sup>8</sup> The United States is the largest single donor at USD 222.9 million year-to-date, despite the absorption of USAID functions into the State Department on 1 July 2025. Gulf donor contributions total approximately USD 30 million, equivalent to roughly 5.5 per cent of total funding received. Middle East war input-price rises do not add to the appeal requirement on paper – but they inflate delivery costs across every sector, and the transport-cost failure already documented in rural markets means that even committed funding is reaching fewer people than the coverage ratio suggests.

**MERCY CORPS**

## Sudan: Middle East War Shock Layers onto Famine and Civil-War Collapse

*Fuel, FX, freight and food-market pressure are compounding an active civil-war economy and confirmed Phase 5 exposure*

- 1 Pre-existing crisis baseline**
  - Civil war since April 2023
  - Al-Jaili refinery destroyed / offline
  - Refineries operating at 15–20% of capacity
  - Port Sudan is the sole functioning international seaport
  - IPC Phase 5 classified in El Fasher and Kadugli
- 2 Middle East war shock layer**
  - Hormuz effectively closed from 28 Feb 2026
  - Brent rose 78% to USD 126.69/bbl on 31 Mar cross-case benchmark
  - Daily Brent series reached USD 138.21/bbl on 7 Apr before correction
  - Gulf-origin refined fuel and freight costs rise
  - FX pressure intensifies amid higher import bill
- 3 Household and market transmission**
  - Fuel import cost rises
  - Parallel gasoline rises
  - Transport costs rise
  - Food movement stalls on some routes
  - Cash transfer purchasing power erodes
  - Phase 5 and famine-risk geographies become harder to reach
- 4 Humanitarian operating risk**
  - 18.8%** Sudan HRP only 18.8% funded as of 30 Apr 2026
  - 33.7 million** people in need
  - 19.1 million** people projected IPC Phase 3+
  - USD 16.15** Per-person funding: USD 16.15
  - Port Sudan, Adre and cross-border corridors under cost pressure

**! Sudan is not a new Middle East-war crisis. It is a civil-war and famine crisis whose delivery costs and household prices are now being pushed higher by the Middle East war.**

Sources: IPC; FEWS NET; OCHA FTS; WFP Sudan Market Monitor; FRED Brent crude; Ayin Network; Xinhua; Mercy Corps analysis.

The populations most directly exposed to Middle East war's economic transmission are those who are already extremely vulnerable. This includes siege-affected and recently displaced households in Kadugli and Dilling (where fighting has intensified through the start of 2026), Um Baru and Kernoi, and the El Fasher displacement geography now concentrated in Tawila and Jebel Marrah. Households in Khartoum and Omdurman are facing the parallel fuel price in daily cash transactions, with no subsidy and no alternatives. Rural producers in Darfur and Kordofan are suffering the impacts of market failure, as their food cannot clear transport-cost economics. And Sudanese refugee populations in Chad, South Sudan,

<sup>7</sup> IPC (2026) IPC Alert: Sudan, February 2026. Available at: [https://www.ipcinfo.org/fileadmin/user\\_upload/ipcinfo/docs/IPC\\_Alert\\_Sudan\\_Feb2026.pdf](https://www.ipcinfo.org/fileadmin/user_upload/ipcinfo/docs/IPC_Alert_Sudan_Feb2026.pdf) (Accessed: 4 May 2026).

<sup>8</sup> OCHA Financial Tracking Service (2026) Sudan Humanitarian Needs and Response Plan 2026, plan ID 1514. Available at: <https://fts.unocha.org/plans/1514/summary> (Accessed: 4 May 2026).

Ethiopia and CAR face the same transmission through the supply chains that serve them, which run through the Red Sea and cross-border routes that the Middle East war has made more expensive and less reliable.

For humanitarian and development actors, three actions cannot wait. First, humanitarian logistics partners should continue to front-load fuel procurement and transport contracting for May-August 2026 delivery cycles where market conditions allow, given that transport cost failure above the commodity value line is already halting food movement in rural markets. Second, cash transfer programs should review transfer values against observed parallel-market food basket prices and ensure disbursement channels preserve real purchasing power: a transfer converted near the CBOS reference rate (SDG 601) buys far less than one converted at commercial bank (SDG 3,100) or parallel rates (SDG 3,625 to 4,070). Where price moves are forecastable, anticipatory cash transfers and accompanying market-support measures should be considered alongside in-kind assistance under current freight conditions and where cash modalities sustain private sector trader networks that in-kind distribution can displace. Third, donors should consider committing a conditional tranche against the 2026 Humanitarian Response Plan (HRP) triggered by any new Famine classification or any sustained move of parallel gasoline above SDG 40,000 per gallon for 30 days, given the operational consequences of funding delays on Famine deterioration.

## KEY FINDINGS

**The fuel shock from the Middle East war lands on a structural supply deficit that predates the war by nearly three years.** Parallel market gasoline in the Khartoum region rose 66.7 per cent in a single week in early April 2026, from SDG 18,000 to SDG 30,000 per gallon<sup>9</sup> – the sharpest single-week fuel price transmission observed across the countries studied for this report series. This is not a shock landing on a functioning fuel market. Sudan's refineries have been running at 15 to 20 per cent of capacity since the Al-Jaili refinery – which supplied approximately 70 per cent of national fuel demand – was forced into a complete shutdown and sustained an estimated USD 3 billion in damage in July 2023. The Middle East war has added cost pressure on top of that pre-existing structural deficit. In April 2026, the Sudanese Ministry of Energy and Petroleum reported approximately 88 days of gasoline stock and 54 days of diesel stock at current consumption levels, buffering immediate supply but not the cost dynamic.<sup>10</sup>

**The fuel shock has already broken food market economics on some rural routes – in some cases, transport costs now exceed the market value of the cargo being moved.** One agricultural investor reported transport fees of SDG 1 to 1.2 million against cargo worth SDG 100,000 at destination.<sup>11</sup> For at least some commodity route combinations in Darfur and Kordofan, rural producers can no longer move output to downstream markets because the fuel adjusted transport cost exceeds the sale price. This is a documented current condition. Market monitoring for April and May will show how broadly the dynamic has spread – but the mechanism is already active.

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<sup>9</sup> Ayin Network (3ayin.com), "Sudan and escalating, crippling fuel prices," 3 April 2026 (subsequently syndicated on allAfrica.com). Cross-referenced with Xinhua. - Xinhua, "Sudan faces worsening fuel crisis as prices soar," 7 April 2026.

<sup>10</sup> Xinhua (2026) 'Feature: Sudan faces worsening fuel crisis as prices soar', 7 April, citing the Sudanese Ministry of Energy and Petroleum. Available at: <https://english.news.cn/africa/20260407/3eb033b58b7d41afa85a08eb2973c9aa/c.html> (Accessed: 4 May 2026). The 88 and 54 days of stock figures are derived from 1.36 million barrels of gasoline and 1.24 million barrels of diesel at current consumption rates.

<sup>11</sup> Ayin Network (2026) 'Sudan and escalating, crippling fuel prices', 3 April. Available at: <https://3ayin.com/en/fuel-4/> (Accessed: 4 May 2026), syndicated via allAfrica at <https://allafrica.com/stories/202604030012.html>.

**Sudan's food security position was severe before the Middle East war began, and the war is widening the conditions under which Famine could spread.** The September 2025 IPC analysis classified El Fasher and Kadugli in Famine (IPC Phase 5), confirmed by the October 2025 Famine Review Committee.<sup>12</sup> The picture has since shifted: the Sudan Armed Forces broke the Dilling siege on 26 January 2026 and the Kadugli siege on 3 February 2026, and FEWS NET's February 2026 outlook judges Famine thresholds no longer met in those. A credible risk of renewed Famine persists across Kadugli, Dilling and the western Nuba Mountains.<sup>13</sup> The IPC February to May 2026 projection places 19.1 million people – approximately 41 per cent of the population – at Phase 3 or worse, with 4.2 million acute malnutrition cases projected for the year including more than 800,000 severe cases.<sup>14</sup> The Middle East war's fuel and transport cost transmission is not the cause of this. It is making it harder to respond to.

**For households receiving cash assistance, the foreign exchange picture compounds the fuel price shock – and the rate at which transfers are disbursed determines how much of their value survives.** The Central Bank's commercial spot of SDG 601 per USD is now a customs reference rather than a market-clearing rate. Commercial bank rates have moved sharply through the war period. The Bank of Khartoum raised its rate from SDG 2,620 at end-February 2026 to SDG 3,100 by 2 April, an 18 per cent rise across the first five weeks of the Middle East war, and parallel-market readings sit a further 8 to 12 per cent above that.<sup>15</sup> Rates also diverge across areas of control. The formal banking architecture and the reported figures here cover SAF-controlled territory, while rates in RSF-controlled Darfur, Kordofan and South Kordofan move through informal channels.

**Cash transfers in Sudan have lost approximately 57 per cent of their real value when civil-war and Middle East war effects are combined – the single most important number for program decisions.** The civil war economy took roughly 41 per cent of purchasing power out of fixed-SDG transfers between April 2025 and March 2026.<sup>16</sup> The Middle East war is widening that baseline. Forward scenarios add a further 27 to 40 per cent of erosion on top, depending on whether talks stall or the ceasefire collapses. The combined effect is that a transfer sized to buy the April 2025 food basket now covers only around 43 per cent of the same basket. Donor commitments, transfer values and program design should be reviewed against this combined loss.

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<sup>12</sup> IPC (2025) *Sudan: Acute Food Insecurity Situation for September 2025 and Projections for October 2025–January 2026 and February–May 2026*, released 3 November 2025. Available at: <https://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1159787/> (Accessed: 4 May 2026).

<sup>13</sup> Famine Early Warning Systems Network (2026) *Sudan Food Security Outlook: Famine thresholds no longer met, but credible risk of Famine persists*, February 2026. Available at: <https://fews.net/east-africa/sudan/food-security-outlook/february-2026> (Accessed: 4 May 2026); Arab News (2026).

<sup>14</sup> IPC (2026) *IPC Alert: Sudan, February 2026*. Available at: [https://www.ipcinfo.org/fileadmin/user\\_upload/ipcinfo/docs/IPC\\_Alert\\_Sudan\\_Feb2026.pdf](https://www.ipcinfo.org/fileadmin/user_upload/ipcinfo/docs/IPC_Alert_Sudan_Feb2026.pdf) (Accessed: 4 May 2026).

<sup>15</sup> Bank of Khartoum (2026) daily exchange rate updates, end-February 2026 to 2 April 2026. Available at: <https://x.com/bankofkhartoum> (Accessed: 4 May 2026). The SDG 3,100 figure is independently corroborated by the World Food Programme's *Sudan Market Monitor — April 2026*. Binance P2P USDT/SDG, 13 April 2026, used as the closest available parallel-market proxy in the absence of a published Sudanese parallel-rate daily series.

<sup>16</sup> World Food Programme (2026) *Sudan Market Monitor — March 2026*, 30 March. Available at: <https://logcluster.org/en/documents/sudan-wfp-sudan-market-monitor-march-2026> (Accessed: 4 May 2026). Calculation:  $SDG\ 48,214 \div SDG\ 81,268 = 0.593$ , implying a 40.7 per cent loss, rounded to 41 per cent.

**The Middle East war's shipping shock is stacking onto a humanitarian logistics system that was already under severe pressure from Houthi-era Red Sea disruption.** War risk insurance has multiplied tenfold or more on affected routes, and a Hormuz-driven freight premium has stacked on top of the existing one for Gulf-origin cargo. Dubai – the regional logistics hub through which much Sudan-bound humanitarian procurement transits – has its own freight pressure, with documented Sudan-bound supplies stranded there during the war period. The Adre-Darfur cross-border route from Chad, which carries the bulk of humanitarian deliveries into Darfur, is exposed to the same Middle East-routed supply-chain costs. Higher freight, insurance and rerouting costs translate directly into reduced caseload coverage on top of a response that was already severely underfunded.

This is the compounding pattern at the center of this report: a war-period cost layer landing on a Sudan Humanitarian Response Plan that is only 18.8 per cent funded as of 30 April 2026. Higher freight, insurance and rerouting costs translate directly into reduced caseload coverage.

## PURPOSE AND SCOPE

This country paper extends the Sudan section of [From Hormuz to the Frontlines of Hunger](#) (April 2026) with deeper analysis of the transmission of the Middle East war economic shocks between 28 February 2026 and 30 April 2026. It is not a full account of the Sudan humanitarian situation, though it attempts to separate Middle East war-attributable or war-amplified movements from pre-existing conditions wherever the data allows. Given the dynamic nature of the situation, findings should be reviewed against updated data as it becomes available beyond the end of April 2026.

Every factual claim carries a named public source and date, either in the body text or in a footnote, and a full list of global and Sudan-level sources used is available at the end of the paper. Data constraints limited certain aspects of the analysis, which are also included at the end of the paper.

The transmission channel section that follows documents observed and inferred evidence of economic shock transmission across six Sudan-specific channels, identifying primary exposure and the populations most directly affected. The implications and priorities section identifies specific, time-bound actions that are warranted by the evidence and defensible under any ceasefire outcome.

# Shock Transmission Channels

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## CHANNEL I: FUEL AND TRANSPORT COST TRANSMISSION

### Global context:

- The Strait of Hormuz has been effectively closed since 28 February 2026, with commercial transits falling from approximately 95 vessels per day pre-war to roughly 5 per day at the war-period floor.<sup>17</sup>
- Brent crude rose from USD 71.32 per barrel on 27 February 2026 to USD 126.69 on 31 March 2026 – a 78 per cent increase over six weeks and the cross-case reference point used across the country papers in this series. The daily series subsequently reached USD 138.21 on 7 April before correcting 11.6 per cent to USD 122.11 on 8 April and remained around USD 104 to 108 in late April.<sup>18</sup> The ceasefire-related Brent correction has not normalized downstream retail, insurance, fertilizer or logistics costs.

**Country-specific transmission:** For Sudan, the transmission runs through two stacked cost layers – Gulf-origin refined fuel carries the Hormuz-driven freight premium, and Red Sea routing to Port Sudan carries the Houthi-era war-risk premium that predates the Middle East war. Domestic refining cannot close the gap. Parallel-market gasoline in the Khartoum region rose 66.7 per cent in a single week in early April 2026, from SDG 18,000 to SDG 30,000 per gallon.<sup>19</sup> At the parallel-market rate of SDG 4,070 per USD, the early-April peak is approximately USD 7.37 per gallon, the operationally relevant household-market comparator.

This is landing on a structural supply deficit that predates the Middle East war by nearly three years. Sudan's two refineries and three topping plants have combined nameplate capacity of approximately 143,700 barrels per day but are running at just 15 to 20 per cent of capacity.<sup>20</sup> Al-Jaili near Khartoum – the largest facility at 100,000 barrels per day and the pre-war supplier of approximately 70 per cent of national fuel demand – was forced into a complete shutdown in July 2023 and remained at a standstill following SAF recapture in January 2025.<sup>21</sup> Several oil fields are also offline, leaving Sudan reliant on imports for the bulk of refined product. The precise Hormuz-routed share of Sudan's fuel imports should

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<sup>17</sup> International Monetary Fund (2026) PortWatch: Daily Chokepoint Transit Calls and Transit Trade Volume Estimates. Available at: [https://portwatch.imf.org/datasets/42132aa4e2fc4d41bdaf9a445f688931\\_0/about](https://portwatch.imf.org/datasets/42132aa4e2fc4d41bdaf9a445f688931_0/about) (Accessed: 28 April 2026).

<sup>18</sup> U.S. Energy Information Administration (2026) Crude Oil Prices: Brent - Europe, retrieved through FRED, series DCOILBRETEU, <https://fred.stlouisfed.org/series/DCOILBRETEU>; Mercy Corps (2026) *From Hormuz to the Frontlines of Hunger*, April 2026.

<sup>19</sup> Ayin Network (2026) 'Sudan and escalating, crippling fuel prices', 3 April. Available at: <https://3ayin.com/en/fuel-4/> (Accessed: 4 May 2026), syndicated via allAfrica at <https://allafrica.com/stories/202604030012.html>. The SDG 18,000 to SDG 30,000 figure is independently corroborated by Xinhua (2026) 'Feature: Sudan faces worsening fuel crisis as prices soar', 7 April. Available at: <https://english.news.cn/africa/20260407/3eb033b58b7d41afa85a08eb2973c9aa/c.html> (Accessed: 4 May 2026).

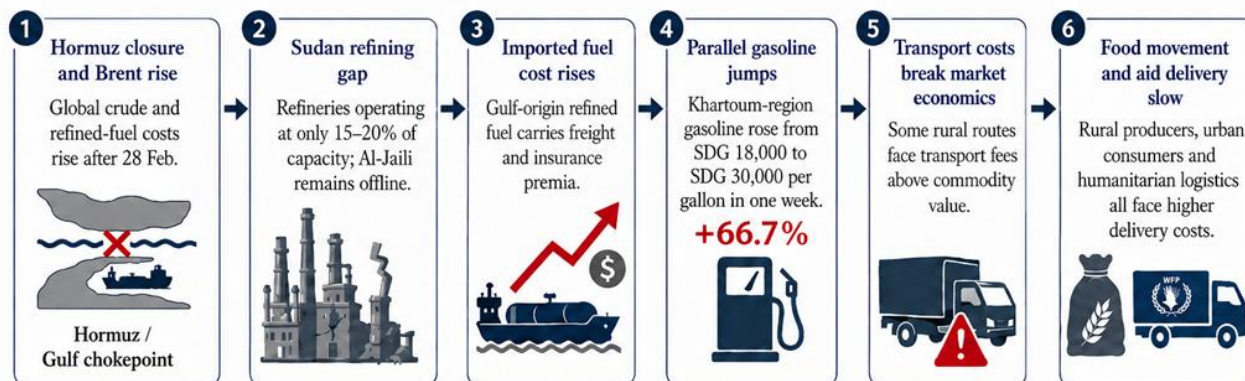
<sup>20</sup> Xinhua (2026) 'Feature: Sudan faces worsening fuel crisis as prices soar', 7 April, citing the Sudanese Ministry of Energy and Petroleum. Available at: <https://english.news.cn/africa/20260407/3eb033b58b7d41afa85a08eb2973c9aa/c.html> (Accessed: 4 May 2026).

<sup>21</sup> U.S. Energy Information Administration (2024) Sudan country analysis brief. Available at: <https://www.eia.gov/international/analysis/country/sdn> (Accessed: 4 May 2026); France 24 (2025) 'Battle for Khartoum wrecks key Sudan oil refinery', 20 March. Available at: <https://www.france24.com/en/live-news/20250320-battle-for-khartoum-wrecks-key-sudan-oil-refinery> (Accessed: 4 May 2026); S&P Global Commodity Insights (2025) 'Sudanese army says it has seized control of country's sole oil refinery', 27 January. Available at: <https://www.spglobal.com/commodity-insights/en/news-research/latest-news/refined-products/012725-sudanese-army-says-it-has-seized-control-of-countrys-sole-oil-refinery> (Accessed: 4 May 2026). EIA breakdown: Al-Jaili 100,000 b/d, Port Sudan 21,700 b/d, plus topping plants El-Obeid 10,000 b/d, Shajirah 10,000 b/d, Abu Gabra 2,000 b/d, totalling 143,700 b/d.

be treated as unverified absent customs, tanker-tracking or ministry import data – but Gulf-origin diesel and Port Sudan logistics are central to supply, and the Middle East war has raised the cost of both.

## Channel 1: Fuel and Transport-Cost Transmission

Parallel-market gasoline rose sharply as imported fuel costs compounded Sudan's refinery collapse



### Evidence Dashboard (March 2026)

SDG 30,000/gallon early-April parallel gasoline	Approx. USD 7.37/gallon at SDG 4,070/USD parallel rate	88 days gasoline stock; 54 days diesel stock, but cost pressure persists	Transport fee case: SDG 1–1.2m above cargo value on some routes
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**Caveat:** Fuel and transport-cost data are uneven across Sudan; the transport-fee case illustrates the mechanism, not a generalised national halt.

**Fuel-cost transmission is already high enough to make some food movement uneconomic.**

Sources: Ayin Network; Xinhua; Al Jazeera; Sudan Ministry of Energy and Petroleum; WFP Sudan Market Monitor; Mercy Corps analysis.

**Human impact:** The cost lands through different mechanisms for different populations. Urban households in Khartoum, Omdurman, Port Sudan and Kassala face the parallel price in daily cash transactions with no subsidy and no alternative. Rural producers across Darfur, Kordofan and Aj Jazirah face a transport-cost squeeze that in some cases has already crossed the line from hardship into market failure: the Ayin Network documented transport fees of SDG 1 to 1.2 million running above the cargo value, with dates quoted at SDG 100,000 at destination.<sup>22</sup> Sudanese transport costs combine three drivers: fuel-price pass-through from the Middle East war, security conditions along contested routes, and informal taxation and checkpoint fees that have been a major civil war-driven cost layer throughout the conflict. The Ayin case illustrates how Middle East war fuel costs are compounding an already-elevated baseline rather than operating in isolation. Humanitarian logistics operators face the same compound pressure, plus the convoy security cost specific to contested route movement.

<sup>22</sup> Ayin Network (2026) 'Sudan and escalating, crippling fuel prices', 3 April. Available at: <https://3ayin.com/en/fuel-4/> (Accessed: 4 May 2026), syndicated via allAfrica at <https://allafrica.com/stories/202604030012.html>. The SDG 18,000 to SDG 30,000 weekly gasoline rise is independently corroborated by Xinhua (2026) 'Feature: Sudan faces worsening fuel crisis as prices soar', 7 April. Available at: <https://english.news.cn/africa/20260407/3eb033b58b7d41afa85a08eb2973c9aa/c.html> (Accessed: 4 May 2026).

## CHANNEL 2: FOOD PRICES AND FAMINE-ZONE TRANSMISSION

### Global context:

- Global food and fertilizer prices rose sharply during the war period. Pink Sheet wheat rose 7.1 per cent and soybean oil 15.6 per cent between February and March 2026, with urea up 53.7 per cent month-on-month.
- The FAO Food Price Index reached 128.5 in March 2026, its highest level since September 2025 – the war has lifted global food benchmarks, though it has not yet produced a 2022-scale global food price shock.<sup>23</sup>

**Country-specific transmission:** Sudan is a wheat-importing country, with formal imports routing via Port Sudan. But Sudan's food transmission story is not primarily about imported wheat prices – the civil war has already disrupted the formal market architecture through which international prices would normally pass through. The dominant transmission runs through fuel cost into transport cost into a widening gap between producing zones and demand centers.

The fuel-to-food pass-through is already visible in March 2026 price data – which likely understate the full Middle East war effect, because the largest fuel-price movement occurred in early April and would not be captured in March monthly averages. National average sorghum reached SDG 1,275 per kg in March 2026, up 6.2 per cent on February, and millet rose 11.7 per cent over the same month. The national local food basket stood at SDG 2,098 per unit, up 21 per cent year-on-year, and wheat flour at SDG 3,255 per kg, up 4.1 per cent month-on-month.<sup>24</sup>

The state-level dispersion is sharper than the national signal and tells the real story. Sorghum in March 2026 ranged from SDG 825 per kg in Nyala (South Darfur) to SDG 1,542 per kg in Khartoum – a 1.87:1 ratio within a single month.<sup>25</sup> The cheapest cereal sits in the Darfur producing zones; the most expensive in the SAF-controlled urban demand centers of Khartoum and Wad Medani. This is the spatial expression of the transport-cost failure documented in Channel 1. Millet in Kassala rose 26.5 per cent month-on-month, consistent with returnee demand pressure on a host-community food basket.<sup>26</sup>

The Gedaref Auction Market provides a clear read on the producer-side dynamic. Sorghum at the market rose 12.6 per cent month-on-month in March 2026, with auction supplies dropping 40 per cent from the previous month, with four large companies entering the market for transport to Northern State – a signal that the producing-side shock is already feeding into the supply pipeline.<sup>27</sup>

For urban households in Khartoum and Omdurman, formal market disruption means primary cost pressure runs through the parallel-market price of bread and flour rather than through a clean imported-

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<sup>23</sup> FAO (2026) FAO Food Price Index rises in March as Near East conflict raises energy costs, 4 April. Available at: <https://www.fao.org/newsroom/detail/fao-food-price-index-rises-in-march-as-near-east-conflict-raises-energy-costs/en> (Accessed: April 2026).

<sup>24</sup> World Food Programme (2026) *Sudan Market Monitor — March 2026*, 30 March. Available at: <https://logcluster.org/en/documents/sudan-wfp-sudan-market-monitor-march-2026> (Accessed: 4 May 2026). Sorghum and millet national medians, plus the Gedaref Auction Market data, both from the same source.

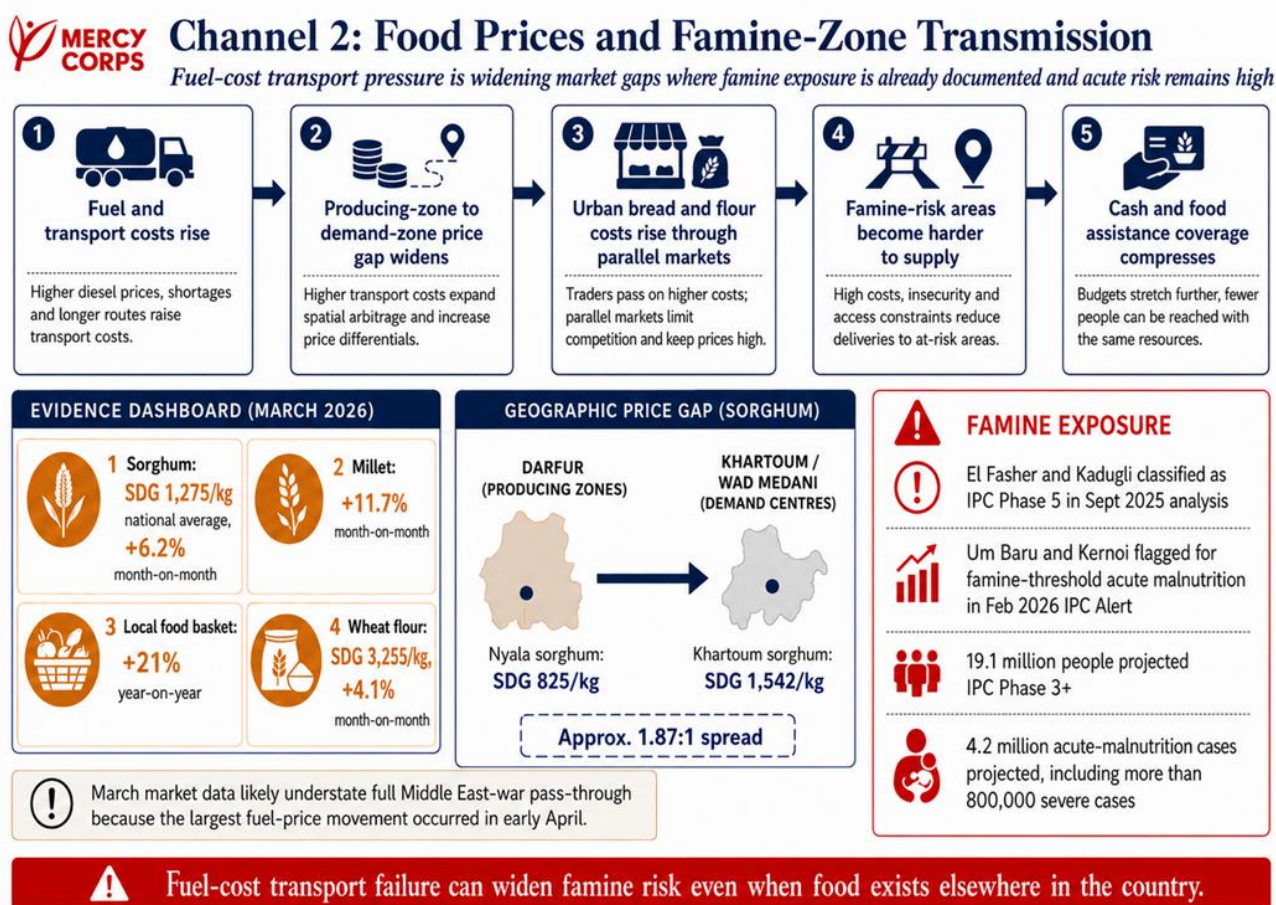
<sup>25</sup> World Food Programme (2026) *Sudan Market Monitor — March 2026*, 30 March. Available at: <https://logcluster.org/en/documents/sudan-wfp-sudan-market-monitor-march-2026> (Accessed: 4 May 2026).

<sup>26</sup> Ibid.

<sup>27</sup> Ibid.

wheat pass-through. Rural and displaced populations face the combined effect of civil-war market disruption, fuel-cost transport failure, and Middle East war global commodity price rise.

The Middle East war is landing on a domestic agricultural system already operating at substantially reduced capacity. The Aj Jazirah and Managil irrigation schemes – which produced roughly 45 per cent of national sorghum and more than 50 per cent of national wheat before the war – have collapsed from 800,000 to approximately 300,000 feddans of production. The Suki scheme has fallen from 150,000 to 20,000 tons, Gedaref rainfed sorghum and millet from 2 million to less than 900,000 tons, and Northern State wheat from 300,000 to 180,000 tons.<sup>28</sup> FAO estimates Sudan's 2025 cereal production at approximately 5.2 million tons, a 22 per cent decline year-on-year and 19 per cent below the five-year average.<sup>29</sup>



Sources: WFP Sudan Market Monitor; IPC; FEWS NET; FAO; Mercy Corps analysis.

**Human impact:** El Fasher and Kadugli were classified IPC Phase 5 (Famine) in the September 2025 IPC analysis, confirmed by the October 2025 IPC Famine Review Committee.<sup>30</sup> The February 2026 IPC Alert added famine-level acute malnutrition in Um Baru and Kernoi, and flagged 20 further areas at risk across

<sup>28</sup> Mercy Corps (2026) *Rebuilding the Breadbasket: Sudan Agricultural Briefing*, 10 April 2026. Underlying production figures cited via Sudan Tribune, 13 March 2026, citing Government of Sudan data.

<sup>29</sup> Food and Agriculture Organization of the United Nations (2026) *Sudan: New FAO assessment warns of escalating food and livelihood crisis*. Available at: <https://www.fao.org/neareast/news/details/sudan-new-fao-assessment-warns-of-escalating-food-and-livelihood-crisis/en> (Accessed: 4 May 2026); Food and Agriculture Organization of the United Nations (2025) *Special Report: 2024 FAO Crop and Food Supply Assessment Mission to the Sudan*, March 2025. Available at: <https://fscluster.org/sites/default/files/2025-06/Sudan%202024%20CFSAM%20Special%20Report%20-%20March%202025.pdf> (Accessed: 4 May 2026).

<sup>30</sup> IPC (2025) *Sudan: Acute Food Insecurity Situation for September 2025 and Projections for October 2025–January 2026 and February–May 2026*, released 3 November 2025. Available at: <https://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1159787/> (Accessed: 4 May 2026).

Greater Darfur and Greater Kordofan.<sup>31</sup> FEWS NET's February 2026 outlook judges Famine thresholds no longer met in Kadugli and Dilling – primarily because of the scale of deaths and displacement under 2025 siege conditions, and the partial reopening of access following the SAF counter-offensive that broke the Dilling siege on 26 January and the Kadugli siege on 3 February 2026.<sup>32</sup> A credible risk of renewed Famine persists across Kadugli, Dilling and the western Nuba Mountains. The February to May 2026 IPC projection retains 19.1 million people – 41 per cent of the population – at IPC Phase 3 or worse, with 4.2 million acute malnutrition cases projected for the year.<sup>33</sup>

Children under five, displaced households in Tawila – now the world's largest single IDP locality at approximately 700,000 IDPs – and conflict-affected households in Kadugli and Dilling carry the most acute exposure. Cross-border refugees in Chad, South Sudan and Ethiopia carry transmitted food-cost pressure from Sudanese market disruption and regional price rises. The Adre crossing, the core humanitarian route into RSF-controlled Darfur, is exposed to Middle East war freight pressure stacking onto an already constrained cross-border supply chain.

## CHANNEL 3: FOREIGN EXCHANGE AND CASH TRANSFER EROSION

### Global context:

- The US dollar has strengthened against emerging-market currencies since the war began, raising the local-currency cost of imported fuel, food and medicine in import-dependent economies.
- In conflict economies with dual-authority fragmentation and dollar scarcity, the effect is sharper than the headline foreign exchange move suggests – because the rate at which institutions receive dollars and the rate at which households transact can differ by an order of magnitude.

**Country-specific transmission:** Sudan's foreign exchange transmission runs through a self-reinforcing loop: reduced foreign currency inflows drive inflation, which raises costs, which reduces production, which reduces exports, which further reduces foreign currency inflows. The Middle East war adds pressure through two nodes. First, reduced commercial shipping via Bab al-Mandeb and Hormuz compression reduces the volume of Sudanese exports – petroleum, livestock, sesame, cotton and gold – reaching markets. Second, Gulf-state fiscal pressure from lower oil revenues feeds through, on a lag, to Sudanese worker wages and remittance flows. The historical anchor for this dynamic is instructive: during the March 2021 Ever Given incident, the SDG parallel rate rose 60 to 80 per cent during the week of the Suez blockage and did not return to the prior level after the canal reopened. A held Gulf ceasefire narrows but does not reverse the April 2026 parallel-rate move.

The rate landscape as of April 2026 has four tiers. The CBOS commercial spot of SDG 601 per USD operates as a customs and accounting reference rather than a market-clearing rate.<sup>34</sup> The Bank of Khartoum commercial rate moved from SDG 2,620 at end-February 2026 to SDG 3,100 by 2 April - an

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<sup>31</sup> IPC (2026) IPC Alert: Sudan, February 2026. Available at: [https://www.ipcinfo.org/fileadmin/user\\_upload/ipcinfo/docs/IPC\\_Alert\\_Sudan\\_Feb2026.pdf](https://www.ipcinfo.org/fileadmin/user_upload/ipcinfo/docs/IPC_Alert_Sudan_Feb2026.pdf) (Accessed: 4 May 2026).

<sup>32</sup> Famine Early Warning Systems Network (2026) *Sudan Food Security Outlook: Famine thresholds no longer met, but credible risk of Famine persists*, February 2026. Available at: <https://fews.net/east-africa/sudan/food-security-outlook/february-2026> (Accessed: 4 May 2026); Arab News (2026) 'What the lifting of the RSF's Kadugli siege means for Sudanese civilians'. Available at: <https://www.arabnews.com/node/2632028/middle-east> (Accessed: 4 May 2026).

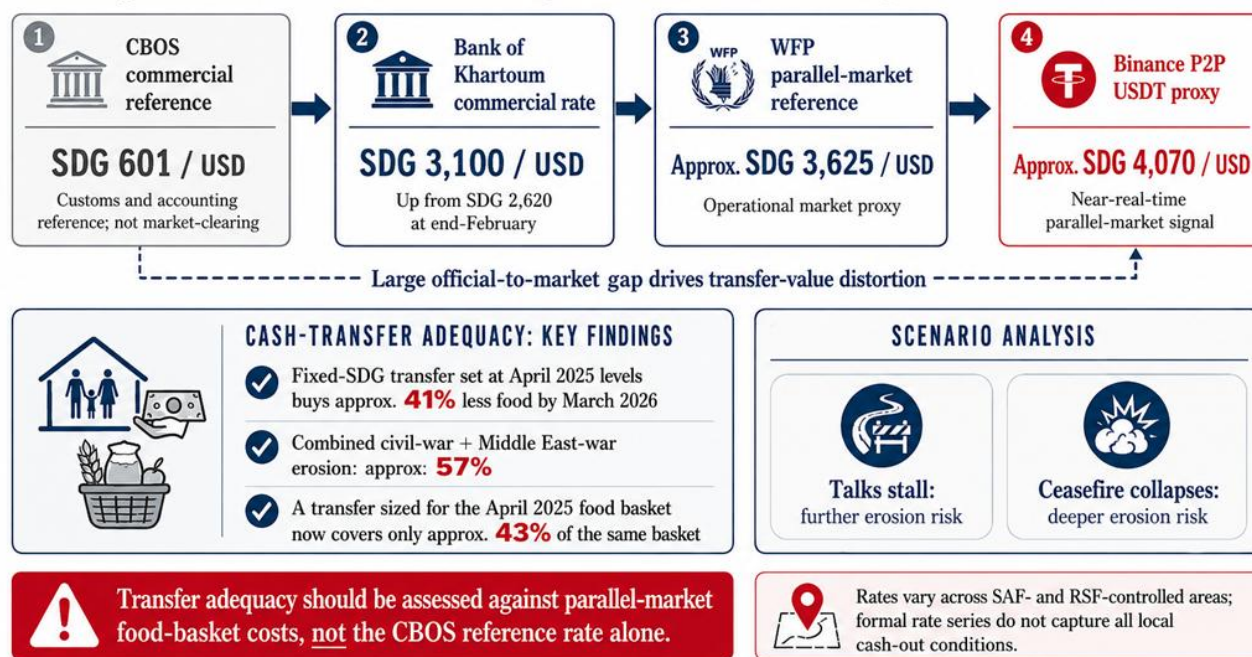
<sup>33</sup> IPC (2025), op. cit.

<sup>34</sup> Central Bank of Sudan (2026) *Daily Rates for Foreign Currency*. Available at: <https://cbos.gov.sd/en/exchange-rates> (Accessed: 4 May 2026).

18 per cent rise in five weeks.<sup>35</sup> Parallel-market readings cluster between SDG 3,625 per the WFP Sudan Market Monitor<sup>36</sup> and SDG 4,070 per Binance P2P USDT proxy on 13 April 2026.<sup>37</sup> Rates also vary across SAF and RSF-held areas, with RSF territory rates reported through informal channels rather than published series.

## Channel 3: FX and Cash-Transfer Erosion

*Sudan's official rate is not the market-clearing rate households and traders face*



Sources: CBOS: Bank of Khartoum; WFP Sudan Market Monitor; Binance P2P proxy; Mercy Corps Sudan Crisis Analysis; Mercy Corps analysis.

**Cash transfer erosion:** The disbursement rate dominates the outcome for cash transfer recipients – and the gap between the rate at which programs receive dollars and the rate at which beneficiaries transact is a central cash programming problem for USD-denominated programming in Sudan. A fixed-SDG transfer set at April 2025 levels had already lost 41 per cent of its food basket purchasing power by March 2026.<sup>38</sup> A transfer converted near the CBOS reference rate of SDG 601 buys far below the SDG required to clear goods priced through parallel-market import costs. A transfer converted at the commercial bank rate of SDG 3,100 reduces that erosion, and one at the parallel rate of SDG 3,625 to SDG 4,070 reduces it further – but none eliminates the gap entirely.<sup>39</sup>

<sup>35</sup> Bank of Khartoum (2026) daily exchange rate updates, end-February 2026 to 2 April 2026. Available at: <https://x.com/bankofkhartoum> (Accessed: 4 May 2026). The SDG 3,100 figure is independently corroborated by the World Food Programme's *Sudan Market Monitor* — April 2026.

<sup>36</sup> World Food Programme (2026) *Sudan Market Monitor* — April 2026. Available at: <https://logcluster.org/sites/default/files/public/2026-04/market-monitor-sudan-report-april-2026.pdf> (Accessed: 4 May 2026).

<sup>37</sup> Binance P2P USDT/SDG, 13 April 2026, used as the closest available parallel-market proxy in the absence of a published Sudanese parallel-rate daily series.

<sup>38</sup> World Food Programme (2026) *Sudan Market Monitor* — March 2026, 30 March. Available at: <https://logcluster.org/en/documents/sudan-wfp-sudan-market-monitor-march-2026> (Accessed: 4 May 2026). Calculation:  $SDG\ 48,214 \div SDG\ 81,268 = 0.593$ , implying a 40.7 per cent loss, rounded to 41 per cent.

<sup>39</sup> Approximately halving the real-loss rate" framing: at the CBOS rate, USD 10 buys 7.5 per cent of the March 2026 basket against 12.5 per cent twelve months earlier (40 per cent real loss); the same USD 10 at the parallel rate loses approximately 19 per cent. The 6.7-fold absolute-rate gap between CBOS and parallel rates means the basket-share difference is even larger; the loss-rate comparison is the operationally relevant metric for assessing modality choice in cash programming.

Forward scenarios add further erosion. Under a "talks stall" scenario, an additional 27 per cent erosion is projected; under a "ceasefire collapse" scenario, an additional 40 per cent. The combined civil war plus Middle East war erosion under current observed conditions is approximately 57 per cent. A transfer sized to buy the April 2025 food basket now covers around 43 per cent of that basket. This is the most important operational cash-programming indicator for Sudan, and the combined adequacy loss should be read as the result of civil-war inflation, foreign exchange fragmentation and Middle East war pass-through together rather than as the standalone Hormuz effect. Donor commitments, transfer values and program design should be reviewed against this combined loss through Q2 2026.

## CHANNEL 4: REMITTANCES

### Global context:

- Gulf states face compound fiscal pressure from lower Hormuz oil export volumes, domestic reconstruction costs from Iranian strikes, and competing Gaza reconstruction claims.
- Transmission to diaspora labor demand and remittance flows runs on a lag of weeks to months and is not yet visible in published data.

**Country-specific transmission:** Remittances are the largest forward risk to Sudanese household income from the Middle East war, not a current observable transmission. The corridor was already structurally weak before the war began. Formal inflows fell from USD 1,499 million in 2022 to USD 900 million in 2024.<sup>40</sup> Approximately 46 per cent of formal inflows originate in Gulf states per the 2021 KNOMAD bilateral matrix, the latest publicly available breakdown.<sup>41</sup> The May 2025 Sudan-UAE diplomatic rupture and the August 2025 Emirati ban on Sudanese-port shipping had already removed the largest regional banking partner before the Middle East war began.<sup>42</sup> The corridor is therefore entering the war period in a structurally degraded state, with the forward risk landing on top of a baseline that has already contracted materially.

Middle East war transmission would feed through two mechanisms. Lower Gulf oil revenues compress Gulf-state fiscal capacity for migrant labor wages. And reduced shipping volumes through Hormuz raise the cost of Gulf-resident remittance operators clearing transactions through hawala and exchange networks. The operational indicator to watch is any sustained quarter-on-quarter decline above 10 per cent in Sudan-bound flows from Saudi Arabia or the UAE – that is the threshold at which forward risk becomes observed transmission rather than projection.

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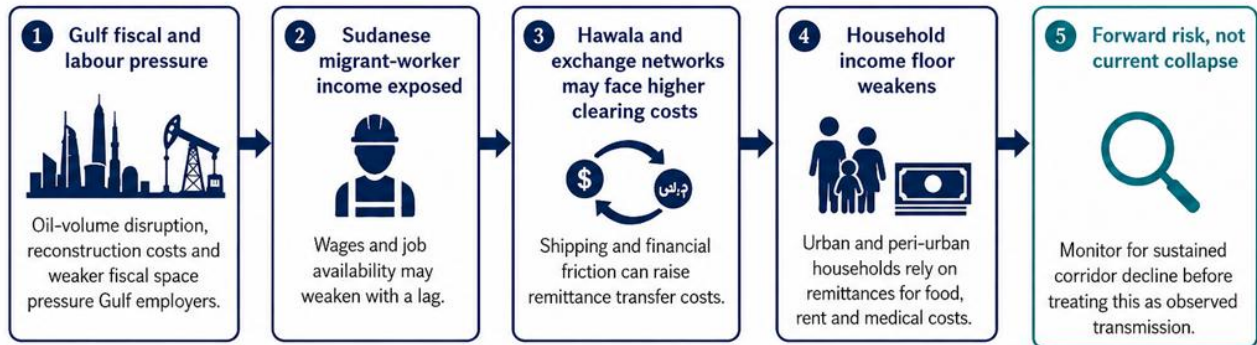
<sup>40</sup> World Bank (2026) *Personal remittances, received (current US\$) — Sudan*, World Development Indicators. Available at: <https://data.worldbank.org/indicator/BX.TRF.PWKR.CD.DT?locations=SD> (Accessed: 4 May 2026).

<sup>41</sup> KNOMAD-World Bank (2021) *Bilateral Remittance Matrix 2021*. Available at: <https://www.knomad.org/data/remittances> (Accessed: 4 May 2026).

<sup>42</sup> Sudan severed diplomatic ties with the UAE in May 2025 and designated it a hostile state following RSF drone attacks on Port Sudan and allegations of Emirati support for the RSF. The August 2025 Emirati ban on Sudanese-port shipping expanded the rupture into the economic sphere. See *The New Arab* (2025) 'How a banking app in Darfur spotlights Sudan's "dual economy"'. Available at: <https://www.newarab.com/news/how-banking-app-darfur-spotlights-sudans-dual-economy> (Accessed: 4 May 2026).

# Channel 4: Remittances and Gulf Forward-Risk Corridor

Sudan's remittance channel has not clearly broken yet, but Gulf labour and hawala conditions carry forward risk



<b>EVIDENCE</b> 	<p>Formal remittances fell from USD 1.5bn in 2022 to USD 900m in 2024</p>	<p>Approx. 46% of formal inflows originate in Gulf states</p>	<p>UAE rupture already weakened regional banking links</p>	<p>Parallel-rate remittance dollars remain critical to household purchasing power</p>	<p><b>MONITORING THRESHOLD</b></p> <p><b>Trigger:</b> sustained quarter-on-quarter decline <b>above 10%</b> in Sudan-bound flows from Saudi Arabia or UAE.</p>
	<p><b>MONITORING THRESHOLD</b></p>				

**This is a forward-risk channel, not a currently confirmed war-period collapse.**

Sources: World Bank WDI; KNOMAD Bilateral Remittance Matrix; Sudan country reporting; Mercy Corps analysis.



**Human impact:** Remittances remain the highest impact household income stream in real-world purchasing power despite the formal channel decline. A parallel-rate converted remittance dollar in 2026 buys approximately 30 to 40 times more SDG at the black-market rate than the same dollar did in 2018. Urban and peri-urban households in Khartoum, Omdurman, Kassala and Port Sudan that rely on monthly hawala transfers for food, rent and medical expenses sit on the most direct exposure if the channel triggers. For these households, a Gulf corridor shock would not arrive as one pressure among several. It would remove the primary mechanism by which they are currently absorbing all the others.

## CHANNEL 5: SHIPPING, LOGISTICS AND THE PORT SUDAN CHOKEPOINT

### Global context:

- Strait of Hormuz chokepoint transits collapsed from approximately 95 vessels per day pre-war to 5 per day at the war-period floor.
- Bab al-Mandeb transits have been running at approximately 32 per day through 2024 and 2025, 57 per cent below the pre-Houthi 2023 baseline, so Sudan enters the Middle East war regime facing a stacked chokepoint problem.
- Red Sea war-risk premia, already elevated from the Houthi-era shipping attacks, rose from approximately 0.30 per cent of hull value in January 2026 to 0.90 per cent in mid-March before easing to 0.75 per cent by 7 April. Persian Gulf premia rose from near zero to 2.00 per cent and sit at 1.50 per cent on 7 April. FAO reports insurance premia on some Red Sea routes at up to 10 per cent of vessel value, resetting every seven days.<sup>43</sup>

**Country-specific transmission:** Sudan's shipping shock runs through three pressure points. Port Sudan, the country's sole functioning international seaport, is absorbing the compound of the pre-existing Houthi-era war-risk premium and the new Hormuz-driven freight premium on Gulf-origin cargo, on top of congestion that has been a binding humanitarian constraint since 2024.<sup>44</sup> The Adre crossing from Chad carries the bulk of humanitarian deliveries into RSF-controlled Darfur - it is not an alternative to Port Sudan but a separate essential route, and the same Middle East war freight pressure reaches Adre wherever cross-border supply chains intersect with international logistics. Dubai, the regional logistics hub through which WFP and international NGO Sudan-bound procurement transits, has its own freight pressure: USD 130,000 of pharmaceuticals and USD 600,000 of essential medicines were documented stranded there during the war period.<sup>45</sup>

Conditions in RSF-controlled territory diverge from the Port Sudan-routed picture. Fuel in Darfur is smuggled cross-border primarily from Libya, prices are generally higher than in the rest of Sudan, and they appear to rise faster.<sup>46</sup> A Port Sudan-only analysis of the shipping channel captures the SAF-controlled response architecture and risks understating freight and access pressure on the RSF-controlled caseload.

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<sup>43</sup> Lloyd's Market Association (2026) *Joint War Committee listed areas*. Available at: <https://lmalloyds.com/committee/joint-war-committee/> (Accessed: 4 May 2026); Food and Agriculture Organization of the United Nations (2026) 'FAO Chief Economist warns of severe global food security risks from disruption to Strait of Hormuz trade corridor', 26 March. Available at: <https://www.fao.org/newsroom/detail/fao-chief-economist-warns-of-severe-global-food-security-risks-from-disruption-to-strait-of-hormuz-trade-corridor/en> (Accessed: 4 May 2026).

<sup>44</sup> Port Sudan congestion has been a binding humanitarian constraint since 2024 per OCHA, WFP and operational logistics reporting through the civil-war period.

<sup>45</sup> International Rescue Committee (2026) 'IRC warns Iran war is disrupting fuel and aid supply chains, threatening life-saving operations across Africa', 1 April. Available at: <https://www.rescue.org/eu/press-release/irc-warns-iran-war-disrupting-fuel-and-aid-supply-chains-threatening-life-saving> (Accessed: 4 May 2026); Save the Children (2026) 'Middle East regional conflict blocking lifesaving aid for over 400,000 children', 18 March. Available at: <https://www.savethechildren.org/us/about-us/media-and-news/2026-press-releases/middle-east-conflict-blocking-lifesaving-aid> (Accessed: 4 May 2026). The IRC figure supports approximately 20,000 people; the Save the Children figure puts more than 90 primary healthcare facilities at risk and affects more than 400,000 children.

<sup>46</sup> International Food Policy Research Institute (IFPRI) (2026) *Sudan Essential Commodities Prices and Availability Monitor*. Available at: <https://sudan.ifpri.info/essential-commodities-prices-and-availability-monitor/> (Accessed: 4 May 2026). Sudan team analysis indicates Darfur fuel prices are generally higher than the rest of Sudan and may rise at a faster rate, with cross-border smuggling primarily from Libya.

# Channel 5: Shipping, Logistics and the Port Sudan Chokepoint

*Sudan faces stacked chokepoint costs through Hormuz-linked fuel routes, Bab al-Mandeb, the Red Sea, Port Sudan and cross-border routes*



**Funding ratios do not capture delivery-side cost inflation on Sudan's hardest-to-reach caseloads.**

Sources: IMF PortWatch; Lloyd's Market Association; FAO; OCHA logistics reporting; IRC; Save the Children; Mercy Corps analysis.

**Human impact:** Humanitarian programs delivering into remote areas of Darfur, Kordofan and Blue Nile, and into cross-border refugee hosting zones, face a compound freight-plus-security cost rise against a Humanitarian Response Plan that is only 18.8 per cent funded as of 30 April 2026.<sup>47</sup> When funding does not follow costs, standard budgetary mechanics compress ration size, delivery frequency or geographic coverage. The populations whose reach is first compressed sit in the most remote conflict-affected geographies, where food insecurity is often at its worst.

Modality choice should track local market functionality rather than applying a single national approach. Cash transfers can deliver more cost-effectively than in-kind commodities where markets remain functional. In-kind delivery remains essential where transport-cost failure or contested-area access have degraded market function – the dynamics documented in Channels 1 and 2. Program design should review modality choice locality by locality.

<sup>47</sup> OCHA Financial Tracking Service (2026) *Sudan Humanitarian Needs and Response Plan 2026*, plan ID 1514. Available at: <https://fts.unocha.org/plans/1514/summary> (Accessed: 4 May 2026). USD 544 million paid against a USD 2.9 billion requirement.

## CHANNEL 6: FERTILIZER, IRRIGATED CROPS AND DIET QUALITY

### Global context:

- World Bank Pink Sheet urea rose from USD 392.50 per ton in December 2025 to USD 725.63 per ton in March 2026 – an 85 per cent increase and the largest single commodity move across the Middle East war window in this case set.<sup>48</sup>
- The Strait of Hormuz carries approximately 30 per cent of internationally traded fertilizers and 50 per cent of global sulphur trade, a critical phosphate-fertilizer input.<sup>49</sup>
- Chinese urea export controls tightened in mid-March with no resumption expected until May, and India cut output independently – compounding the Hormuz supply disruption from a separate direction.<sup>50</sup>

**Country-specific transmission:** Sudan's fertilizer exposure is medium rather than universal, and the transmission splits along two dimensions: crop type and agricultural calendar. By crop type, wheat – grown primarily in irrigated schemes including Aj Jazirah and Northern State – is heavily fertilizer-dependent, as are vegetables including tomato, onion and okra, and irrigated cash crops including cotton and sesame.<sup>51</sup> Sorghum and millet, the staple rainfed cereals that dominate smallholder production, are significantly less fertilizer-dependent in Sudanese practice – though some semi-mechanized rainfed sorghum systems do use chemical fertilizers.<sup>52</sup>

By calendar, timing matters as much as crop dependency. Sudan's wheat is planted December to February, meaning the war-period urea price spike has already passed through that planting window – those decisions are baked into the 2026 wheat harvest. Most rainfed crops are planted around the June to September rainy season, putting the next planting window ahead of the current price spike rather than within it. The June to July rainfed planting window is therefore the critical forward-looking decision point: whether farm-gate fertilizer costs reach smallholders in time to influence 2026 cropping decisions will determine whether the shock transmits into the 2026 harvest or is partially avoided.<sup>53</sup> FAO's warning applies with particular force to Sudan: even modest reductions in fertilizer use can produce

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<sup>48</sup> World Bank (2026) *Commodity Markets: Pink Sheet Data — Monthly Prices*, March 2026. Available at: <https://www.worldbank.org/en/research/commodity-markets> (Accessed: 4 May 2026).

<sup>49</sup> Food and Agriculture Organization of the United Nations (2026) 'FAO Chief Economist warns of severe global food security risks from disruption to Strait of Hormuz trade corridor', 26 March. Available at: <https://www.fao.org/newsroom/detail/fao-chief-economist-warns-of-severe-global-food-security-risks-from-disruption-to-strait-of-hormuz-trade-corridor/en> (Accessed: 4 May 2026).

<sup>50</sup> Reuters (2026) 'China restricts fertiliser exports, further crimping war-tightened supply', 20 March, republished by The Jakarta Post. Available at: <https://www.thejakartapost.com/business/2026/03/20/china-restricts-fertiliser-exports-further-crimping-war-tightened-supply.html> (Accessed: 4 May 2026).

<sup>51</sup> International Food Policy Research Institute / International Institute of Tropical Agriculture (2022) *Impact of increasing fertilizer prices on wheat production in Sudan*, December 2022. Available at: <https://reliefweb.int/report/sudan/impact-increasing-fertilizer-prices-wheat-production-sudan-december-2022> (Accessed: 4 May 2026). The IFPRI analysis distinguishes wheat as fertiliser-intensive in Sudanese irrigated production from sorghum and millet rainfed systems where smallholder fertiliser use is limited; some semi-mechanised sorghum production does use chemical fertilisers.

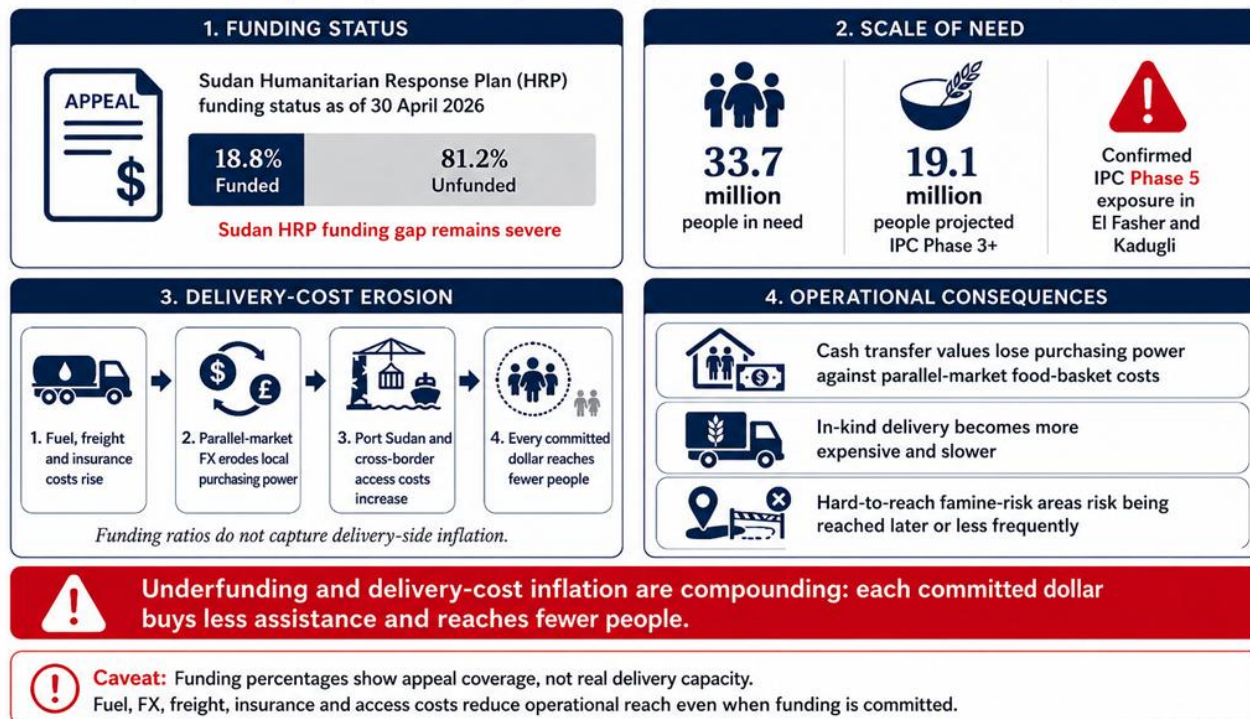
<sup>52</sup> Reuters (2026) 'China restricts fertiliser exports, further crimping war-tightened supply', 20 March, republished by The Jakarta Post. Available at: <https://www.thejakartapost.com/business/2026/03/20/china-restricts-fertilizer-exports-further-crimping-war-tightened-supply.html> (Accessed: 4 May 2026).

<sup>53</sup> FAO Sudan agricultural calendar; standard reference for the December-February wheat planting window and the June-September rainy-season planting cycle.

disproportionately large yield declines in regions where baseline usage is already low.<sup>54</sup> Sudan is precisely such a region.

## Channel 6: Funding Architecture and Delivery-Cost Erosion

*Sudan's response is severely underfunded, while fuel, FX, freight and access costs reduce real delivery capacity*



Sources: OCHA FTS; OCHA Sudan HRP; IPC; FEWS NET; WFP Sudan Market Monitor; Mercy Corps analysis.



**Human impact:** The fertilizer channel transmits to nutrition outcomes through the vegetable and wheat pathway rather than primarily through staple cereal calorie availability. Vegetables are the main fertilizer-dependent source of vitamins and micronutrients in Sudanese household diets. Wheat is a key element of urban and displaced-population food baskets. Nutrition-dependent populations – children under five, pregnant and lactating women, and displaced households losing access to vegetable production – carry the most direct exposure.

The key analytical point for Sudan is that nutrition outcomes may deteriorate before calorie-based food-security indicators capture the shock. If the fertilizer price rise reaches farm-gate before the June to July planting window, the operational consequence is rising acute malnutrition caseloads in late 2026 – even in geographies where IPC Phase classifications appear stable. This is a forward risk that standard monitoring frameworks may miss until it has already materialized.

<sup>54</sup> Food and Agriculture Organization of the United Nations (2026) statement by Maximo Torero on Hormuz disruption and global agrifood implications, cited in the FAO Chief Economist briefing of 26 March 2026.

## Government Response

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Sudan's response to the Middle East war economic shock is constrained by the dual-authority civil war and limited fiscal capacity. The Transitional Sovereign Council operating from Port Sudan has functional but limited instruments, with effective reach only into SAF-controlled territory.

On fuel, the authorities have announced supply management measures including private sector import arrangements and stock management claims. No fully coordinated, nationally effective economic response package is visible. Existing measures appear designed to manage immediate supply bottlenecks rather than offset the pass-through of higher imported fuel, freight, insurance and FX costs into household prices or humanitarian delivery costs.

On foreign exchange, the Central Bank of Sudan has maintained the CBOS commercial rate at approximately SDG 601 per USD. As documented in Channel 3, this rate anchors only within the formal Port Sudan-routed banking system. It does not reflect the rate at which the economy actually transacts, which runs through commercial bank, parallel market and hawala channels at a multiple of the official figure. The Central Bank does not have the instruments to close that gap under current conditions.

On humanitarian response, the Sudan Humanitarian Response Plan is the coordinated response envelope. The government co-signs OCHA-led assessments and participates in the Sudan Humanitarian Country Team. The access architecture – including cross-border operations from Chad, South Sudan and Ethiopia – operates under negotiated protocols subject to SAF and RSF consent. That consent is not guaranteed, is not uniform across the conflict geography, and is the binding operational constraint that no amount of additional funding resolves on its own.

## Outlook

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**Where things stand:** At the end of April 2026, Sudan is over two months into a compound shock with the Middle East war economic impacts landing on an active civil war in its third year, facing severe levels of food insecurity and displacement, with a Humanitarian Response Plan that is 18.8 per cent funded. Middle East war transmission adds a new layer to this baseline.

**The downside tail is a widening famine risk:** If parallel market gasoline moves above SDG 40,000 per gallon and the observed dynamic through which transport costs exceed commodity values generalizes beyond the cases already documented, the 20 areas flagged at heightened Famine risk in the February 2026 IPC Alert face even more challenging conditions. North and South Kordofan are the key active conflict zones, with several South Kordofan towns effectively blockaded by route violence to Kadugli. A second-order risk is collapse of the Port Sudan-routed humanitarian supply chain if Red Sea corridor incidents escalate.

**Key indicators to watch over the next six to eight weeks:**

- The next IPC Sudan analysis – the most authoritative signal on whether Famine conditions are spreading or contracting.

- The next FEWS NET Sudan key message update – the earliest forward-looking read on Phase 5 trajectory.
- Parallel market gasoline prices in major urban centers – the SDG 40,000 per gallon threshold is the operational trigger for the generalized transport-cost failure scenario.
- Port Sudan throughput and Red Sea corridor security – a sustained drop in port calls is the clearest signal that the shipping channel is deteriorating further.
- Any SAF-RSF trajectory shift affecting humanitarian access in Kordofan or cross-border operations – access is the binding constraint that funding alone cannot resolve.
- The next WFP Sudan Market Monitor – to indicate whether the early-April transport cost failure dynamic has spread.

A Gulf ceasefire would narrow but not remove these pressure points. Sudan's civil war runs on a separate calendar from the Hormuz political settlement. The refinery position, displacement caseload, Port Sudan congestion and Phase 5 conditions are all locked in through mechanisms a Gulf settlement does not address. The March 2021 Ever Given precedent is instructive: when the canal reopened the SDG parallel rate did not return to its prior level even though the physical disruption was brief. Program decisions that assume reversibility risk under provisioning against the April 2026 base case.

## Implications and Priorities

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The most time-sensitive decision is on logistics pre-positioning. Front-loading fuel procurement and transport contracting for May-August 2026 cycles, and prioritizing a verified three-month fuel buffer for Darfur, Kordofan and cross-border corridors by end of May, would lock in costs before any further parallel gasoline move generalizes the dynamic observed whereby transport cost exceeds commodity value, and squeezes humanitarian procurement against cash-rich commercial competitors. Cross-border operations from Chad (particularly Adre-Darfur), South Sudan and Ethiopia are core to RSF-area reach and carry the same Middle East war freight pressure as Port Sudan-routed flows.

A pre-committed conditional donor tranche against the Sudan HRP, released on observable triggers (any further IPC Phase 5 classification or sustained parallel gasoline above SDG 40,000 per gallon for 30 days, consistent with the published main report), would reduce funding cycle delay if pressure points deepen. The HRP at 18.8 per cent funded as of 30 April carries no headroom for delayed disbursement against famine deterioration.

Cash transfer adequacy is the single most important program metric. The combined civil war plus Middle East war erosion of approximately 57 per cent (Channel 3) is the operational benchmark. The forward-looking question is whether the pace of state level transfer recalibration can keep up with the parallel rate trajectory and whether transfer adequacy holds against the black-market exchange rate rather than the CBOS official rate. Cash modality choice should track local market functionality, with the Cash Coordination Service best placed to weigh modality state-by-state against the Channel 1, 2 and 3 dynamics.

A Gulf ceasefire would not constitute closure for Sudan. The underlying crisis dynamics continue: civil war, refinery position, severe food insecurity, displacement, and parallel-rate foreign exchange issues.

Some costs are locked into the April base through supply-lag and jurisdictional mechanisms that the political settlement does not address. The 2026 HRP funding envelope cannot be fully recovered through a second-half donor surge alone.

## Monitoring

The monitoring table is extractable as a standalone weekly and monthly tracker for humanitarian and development actors. The parallel-gasoline indicator is the single most operationally valuable short-term signal given the April price move, and the next IPC analysis is the binding medium-term indicator on the Phase 5 trajectory.

INDICATOR	SOURCE AND FREQUENCY	CURRENT VALUE	THRESHOLD	WHAT CROSSING IT MEANS
Khartoum-region parallel gasoline	allAfrica / Sudan Tribune / Xinhua, weekly	SDG 30,000 per gallon (early April 2026)	Above SDG 40,000 sustained	Second-round fuel price shock confirmed, transport-cost failure generalises
IPC Sudan phase classification	IPC Technical Working Group, periodic	19.1M IPC Phase 3+ (Feb-May 2026 projection); IPC Phase 5 classified in El Fasher and Kadugli (Sept 2025); Dilling estimated as similar but unclassified; Um Baru and Kernoï flagged in Feb 2026 IPC Alert as famine-threshold malnutrition signals (not classified as Famine)	Any new Phase 5 classification	Famine widens beyond two geographies, emergency scale-up required
Sudan refineries operating rate	Oil ministry or industry reporting, monthly	15-20 per cent of capacity (April 2026)	Below 10 per cent	Structural domestic supply failure, import reliance total
Sudan HRP 2026 funded ratio	OCHA FTS, weekly	18.8 per cent (30 April 2026)	Below 30 per cent at end of June	Operational lean-season gap will not close, triage programming required
Parallel rate (USDT P2P) SDG per USDT	Binance P2P, daily	SDG 4,070 (13 April 2026)	Above SDG 5,000 sustained	FX/liquidity risk indicator (not a standalone transfer-value)

				trigger); confirms Middle East war FX transmission on top of civil-war baseline
Port Sudan congestion and dwell time	OCHA logistics cluster, weekly	Elevated (historical baseline)	Dwell time above 30 days	Humanitarian supply chain compression confirmed
WFP Sudan Market Monitor	WFP Sudan, monthly	April 2026 (covering March data), published 23 April 2026	Any April or May release	Updated basket data for transfer-value recalculation
Cross-border corridor throughput	OCHA operations reporting, monthly	Libya – Darfur Chad-Darfur, South Sudan-White Nile, Ethiopia-Blue Nile all active	Any corridor closure or substantial restriction	Reach into RSF-controlled areas compresses

## Sources

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This report synthesizes real-time data from authoritative public sources with Mercy Corps research and country-level primary-source reporting from 28 February to 28 April 2026. It reflects conditions as of 28 April 2026, the end of the ninth week of the conflict.

Every factual claim carries a named public source and date. The Mercy Corps Sudan Crisis Analysis Team's March 2026 market analysis is the canonical Sudan analytical product and serves as the established baseline throughout this paper; claims already documented there are not re-run here. The WFP VAM USD-priced field is anchored to the Central Bank of Sudan (CBOS) official rate and understates real-world prices by a factor of six to seven. This paper uses local-currency SDG prices paired with the WFP black-market exchange rate, with Binance P2P USDT as the closest available proxy for the parallel-market rate.

### Publicly available data:

- IPC Sudan, "Acute Food Insecurity Situation for September 2025 and Projections for October 2025 - January 2026 and for February - May 2026."
- FEWS NET Sudan Key Message Update, 9 April 2026 ("The risk of Famine (IPC Phase 5) persists in South Kordofan and North Darfur, March-September 2026").
- OCHA Financial Tracking Service, planid 1514 (Sudan HRP 2026) and planid 1220 (Sudan HRP 2025), pulled 14 April 2026.
- World Bank Pink Sheet monthly series through March 2026.
- World Bank WDI, Sudan remittance inflows 2000 to 2024, and KNOMAD Bilateral Remittance Matrix 2021.
- FRED `DCOILBRETEU`, daily Brent spot series. EIA daily Brent (duplicates FRED at USD 138.21 on 7 April 2026).
- IMF PortWatch daily chokepoint transits, Bab el-Mandeb and Strait of Hormuz.
- UNCTAD LSCI, Sudan, through 2021.
- IOM DTM Sudan displacement through 31 December 2025, and UNHCR refugees hosted in Sudan through 2024.

### Sudan-level additional sources:

- Ayin Network (3ayin.com), "Sudan and escalating, crippling fuel prices," 3 April 2026 (subsequently syndicated on allAfrica.com).
- Xinhua, "Sudan faces worsening fuel crisis as prices soar," 7 April 2026.
- Radio Dabanga, "Sudan's fuel shortage further paralyzes transport," March-April 2026.
- Al Jazeera, "Sudan power crisis: Studying using candles, counting gas station trips," 16 April 2026.
- Sudan Tribune, 13 March 2026 (Aj Jazirah scheme collapse, government data).
- Sudan Akhbar, 25 March 2026 (Gulf banking restrictions).

### Institutional reports:

- World Vision, "Strait closure pushes water prices over the edge in Sudan," 2 April 2026.
- IRC, "IRC warns Middle East war is disrupting fuel and aid supply chains," 30 March 2026.
- FAO Chief Economist Torero, statement on Strait of Hormuz disruption, 30 March 2026.

- WFP Sudan Market Monitor, March 2026 (Kadugli excluded from national averages due to siege). - Mercy Corps, "Rebuilding the Breadbasket: Why Aj Jazirah is Central to Sudan's Food Security," 10 April 2026.
- DFS, "Sudan Crisis Situation Analysis: 16 to 22 March 2026."
- OCHA, "Sudan Humanitarian Fund: SHF/US Award Update," 5 April 2026.
- IMPACT Initiatives, "One Conflict, Four Crises: Sudan's Humanitarian Landscape After Three Years of War," 14 April 2026.

#### **Internal analytical anchors:**

- Mercy Corps Sudan Crisis Analysis Team, March 2026 Sudan market analysis, used as established baseline.
- Mercy Corps Crisis Analysis, "Satellite-tracked market activity in 484 rural Sudanese markets," August 2025.
- Crisis Analysis data packs, 21 April 2026.
- Cash-transfer-erosion analysis: 40 per cent real loss on USD-denominated transfers disbursed at the CBOS rate and 41 per cent real loss on fixed-SDG transfers over eleven months.

#### **Known data constraints (as of 30 April) include:**

- The WFP Sudan Market Monitor for April 2026, published 23 April and covering March data, is the latest released cycle – the gap is not the March cycle itself but the absence of a dedicated post-7 April market read for the 14 to 30 April window (published after this report was drafted).
- The Kadugli siege also excluded that locality from the WFP March 2026 national-average calculation. Coherent FX and price series are not available for RSF-controlled territory because the formal banking and reporting architecture ends at the SAF-RSF contact line.
- The 2026 hawala remittance flow figure is structurally unmeasurable; the World Bank formal-channel figure is a floor, not a total.
- RSF-controlled-area parallel-FX and price series: data gap (formal reporting architecture ends at the contact line).
- Pre-war 27 February 2026 Khartoum parallel-gasoline baseline: data gap.
- Sudan pump-price daily series: data gap.
- Sudan projected-type rows for June to September 2026 lean season: data gap.
- ACLED conflict-event data: data gap (pipeline disabled for project timeline).
- The paper may need updating after the next IPC Sudan analysis, the next FEWS NET Sudan key message, any refreshed WFP Sudan Market Monitor release, any further parallel-market gasoline move, any change in Port Sudan throughput or Red Sea shipping conditions, or any development in the SAF-RSF conflict that materially shifts humanitarian access.