

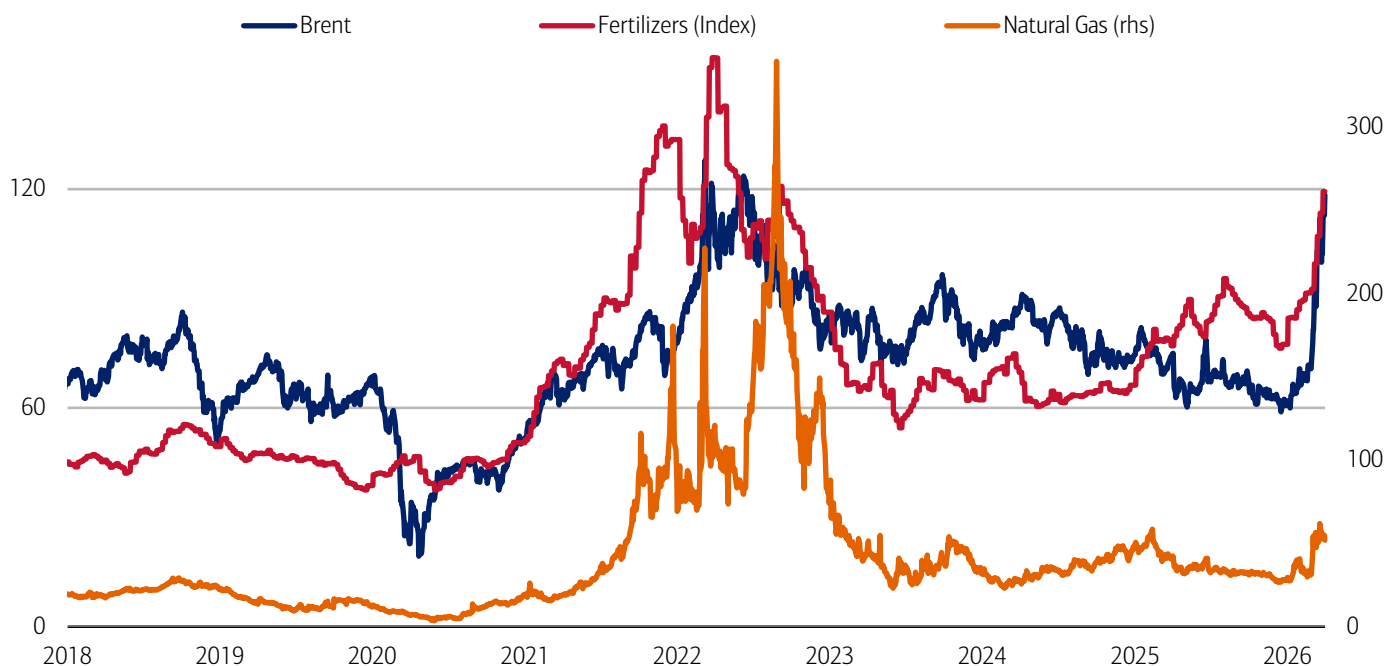
Daily Insights

Energy shock underscores growing role for AI in agriculture

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The world may be less dependent on oil, but the Iran war is not just an oil shock

Oil (Brent, USD, y-axis left-hand side), fertilizer (index, y-axis left-hand side) and natural gas prices (European TTF, Euros, y-axis right-hand side (rhs))



Source: BofA Global Research, Bloomberg

Note: TTF = Title Transfer Facility. Fertilizers is rescaled to be equal to the Brent price as of January 2015.

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According to BofA Global Research, the world economy is less dependent on oil than in the past, but far more sensitive to natural gas and fertilizers. This marks an important departure from past oil shocks. While reduced oil reliance has lowered vulnerability to oil disruptions, the conflict in Iran is not solely about oil – it is a broader energy shock, which tends to impact inflation before weighing on growth.

Against this backdrop, agriculture is undergoing its most significant technological transformation in decades. AI is increasingly embedded across soil management, irrigation, fertilization and crop monitoring. By 2024, over half of farmers had either adopted or were willing to adopt AI-enabled tools, reflecting mounting pressures from rising input costs, climate volatility, labor shortages and non-linear yield risks – including those tied to geopolitical instability along critical fertilizer supply corridors.

Read the Institute’s latest publication today: [Feeding the world with AI.](#)

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