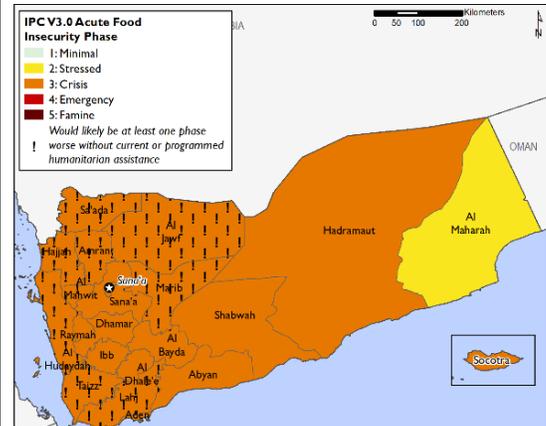


*High food prices and low purchasing power remain a significant concern for millions of households*

**KEY MESSAGES**

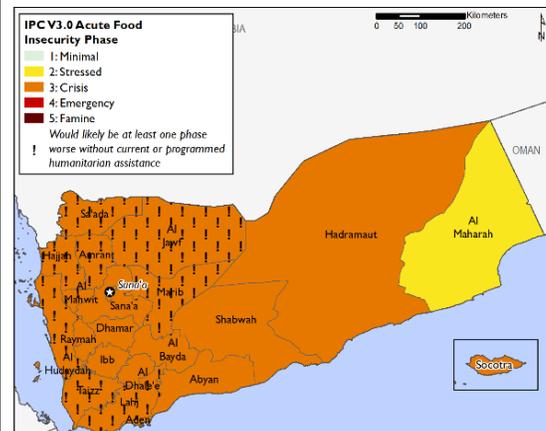
- Violent conflict now in its seventh year has crippled Yemen’s economy and continues to be the main driver of food insecurity. In addition to the direct impacts of active fighting, the impacts of political instability, severe foreign exchange shortages, and further currency depreciation—driving rising food prices and significantly reduced access to income—are placing mounting economic pressure on households. Over time, many have been forced to engage in severe food consumption and livelihood coping strategies, including reducing the number of meals consumed per day and selling productive assets. Currently, flooding during Yemen’s second rainy season and the impacts of a third wave of COVID-19 are further constraining affected households’ resources.
- Above-average food prices and low purchasing power remain a significant concern for millions of households, particularly across poorer wealth groups. In southern areas controlled by the internationally-recognized government (IRG) where the currency continues to depreciate, the average cost of the minimum food basket increased by a further **7 percent** in the first three weeks of August 2021. Meanwhile, in northern areas controlled by the Sana’a-based authorities (SBA), fuel shortages are again forcing households to purchase fuel at higher unofficial prices.
- Following recent scale-up, almost 40 percent of the Yemeni population are again receiving monthly humanitarian food assistance distributions. However, millions of households still face food consumption gaps. As a growing proportion of households have become more heavily reliant on food assistance, Crisis (IPC Phase 3) and Crisis! (IPC Phase 3!) outcomes are expected to persist nationwide, with worst-affected households facing Emergency (IPC Phase 4) or Catastrophe (IPC Phase 5) outcomes. Although not the most likely scenario, Famine (IPC Phase 5) would be possible if there is a significant shock to commercial food import levels or if food supply is otherwise cut off from particular areas for a prolonged period.
- A third wave of COVID-19 has been impacting Yemen in August. In the second week of August, Yemen recorded its highest weekly caseload in two months, with **214 confirmed cases** and 15 associated deaths. The number of new COVID-19 cases reported daily has reached levels **similar to the peak of the first wave** and has not yet plateaued. Currently, only **1 percent** of the population are vaccinated. Given this and limited public health services, essential health expenditures are likely to increase for households impacted by the virus, further constraining poor households’ ability to meet food and essential non-food needs.

Projected food security outcomes, August to September 2021



Source: FEWS NET

Projected food security outcomes, October 2021 to January 2022



Source: FEWS NET

FEWS NET classification is IPC-compatible. IPC-compatible analysis follows key IPC protocols but does not necessarily reflect the consensus of national food security partners.

## CURRENT SITUATION

The number of civilian casualties (deaths and injuries) due to armed violence across Yemen increased by 26 percent from the first to the second quarter of 2021 according to the Civilian Impact Monitoring Project (CIMP). The highest number of casualties occurred in Sa'ada due to shelling in border areas. In Marib, the number of civilian casualties was almost twice that of the first quarter, driven by an increase in incidents impacting civilians in Marib City. Other worst-affected governorates include Al Hudaydah and Taizz. According to the IOM, a total **52,536 individuals** have been displaced across 13 of 24 monitored governorates between January 1 and August 14, 2021—mostly due to conflict and, recently in July and August, flooding—with the greatest number displaced in Marib (35 percent) and Taizz (23 percent).

The Aden-based Rial has generally continued to depreciate despite some volatility. As of the third week of August 2021, the average parallel market exchange rate across southern internationally-recognized government (IRG) controlled areas was **986 YER/USD** according to FAO market monitoring.<sup>1</sup> As of August 31, the parallel market exchange rate (selling) in Aden was **1,023 YER/USD**. Meanwhile, the exchange rate in areas controlled by the Sana'a-based authorities (SBA) remained stable. The late July decision of the IRG authorities to double the customs exchange rate (from 250 to 500 YER/USD) for all goods aside from basic foods, fuel, and medicine was **rejected** by Chamber of Commerce and Industry in both **Sana'a** and Aden over concerns that this would directly lead to starvation among citizens and severely affect trade. Despite this, traders in IRG-controlled areas have used the announcement as an opportunity to raise prices, according to key informants. Traders in SBA-controlled areas have reportedly attempted to do the same. However, in response, the Sana'a-based Ministry of Trade and Information (MTI) announced an "operations room" to control price increases and impose penalties. More recently, on August 24, the Central Bank of Yemen announced receipt of a deposit from the International Monetary Fund (IMF) equivalent to **665 million USD**, the purpose of which is to support the economy.

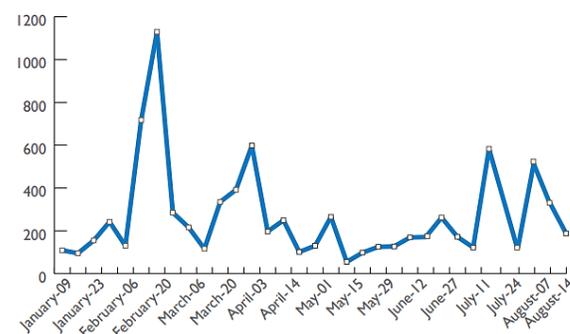
Fuel shortages have resurfaced in SBA-controlled areas due to continued **restrictions preventing oil vessels** outside the Red Sea ports of Al Hudaydah and As Salif from unloading. In July 2021, only **33,466 tons of fuel** were imported through the Red Sea ports according to the UN Verification and Inspection Mechanism (UNVIM), 77 percent lower than the monthly average in 2020 and 34 percent lower than the monthly average in the first half of 2021. Diesel and petrol are generally unavailable at official stations as of late August, though private stations are being supplied and are selling fuel at unofficial prices. Unofficial diesel and petrol prices have generally been decreasing since February 2021 but as of the third week of August remain significantly higher—by 29 percent and 21 percent, respectively—than official prices.

The ongoing fuel crisis has also contributed to increasing prices of cooking gas in 2021, in part due to the use of cooking gas as an alternative fuel for mini buses. **According to data from FAO**, unofficial prices of cooking gas in SBA-controlled areas reached highs of over 10,900 YER per 20 liters in late August, a 60 percent increase compared to prices in July 2020. Cooking gas at lower official prices remains widely unavailable across SBA-controlled areas. While community leaders continue to supply some households with monthly allocations of gas cylinders at official prices, not all registered households are receiving them in a timely manner and allotments are not enough to meet needs for large households. As such, reliance on firewood as an alternative source of fuel has increased for many poor and middle-income households, according to key informants.

In IRG-controlled areas, fuel is well supplied in official stations following the arrival of **new tranches of the Saudi fuel grant**. However, official prices of diesel and petrol remain high and increased further in August 2021 to reach 578 and 566 YER per liter, respectively, in the third week of August according to **data from FAO**. These prices are more than double prices at the same time last year. Cooking gas is also available across IRG areas, though prices are nearly double prices at the same time last year. Overall, high fuel prices can be attributed in large part to the continued depreciation of the Aden-based Rial.

Yemen relies heavily on importation to fulfill food and non-food requirements. Currently, the government is unable to support the import financing mechanism that was functioning through January 2021, increasing traders' reliance on the market for hard currency. This, in turn, has contributed to further depreciation of the Aden-based Rial. Meanwhile, total food imported

**Figure 1.** Number of households (average of 6 people) displaced per week, January 1 to August 14, 2021



Source: IOM

<sup>1</sup> Accessed in the [dashboard](#) August 31, 2021; data points may be occasionally updated by FAO

through all of Yemen’s main sea and land ports during the first six months of 2021 stood at 3,201,524 MT according to FAO reporting, an increase of 31 percent compared to the same period of 2020. However, food imports in the second quarter of 2021 (April to June) were 13 percent lower than in the first quarter (January to March), mainly due to month-to-month fluctuation in importation levels, as traders’ importation plans are typically influenced by shifting local demand and trends in consumer behavior. More recently, 292,702 tons of food were imported through the Red Sea ports in July 2021 according to UNVIM reporting. This total is 10 percent lower than the monthly average from January to June 2021 and 5 percent lower than the monthly average in 2020, though 1 percent more than the monthly average since May 2016.

Overall, persistently poor economic conditions, steady depreciation of the Aden-based Rial, and rising fuel prices continue to drive rising food prices in Yemen. In July 2021, the average price of the Minimum Food Basket (MFB) in IRG-controlled areas was 4 percent higher than the previous month, 52 percent higher than the previous year, and 67 percent higher than the prices recorded during the crisis of October 2018 according to FAO data. The highest increases from June to July were recorded in Shabwah, Socotra, Lahj, and Aden. On average across SBA-controlled areas, the price of the MFB in July was similar to (3 percent higher than) the previous month, 23 percent higher than the previous year, and 7 percent higher than 2018 crisis levels. More recently, the average cost of the MFB in IRG-controlled areas increased 7 percent from the last week of July to the third week of August 2021. In SBA-controlled areas, prices have so far remained stable, on average, in August.

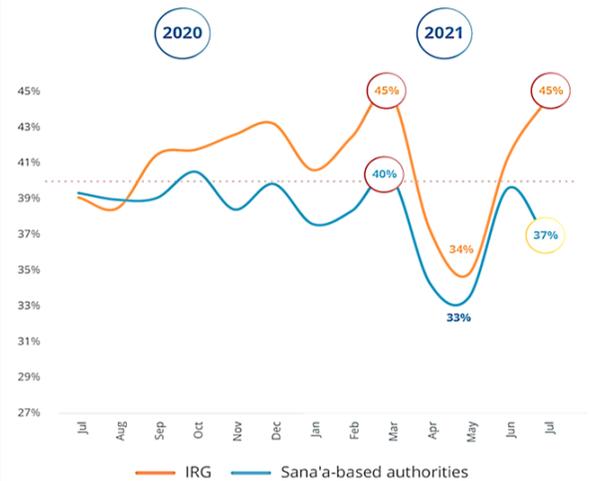
Due largely to rising food prices, declining purchasing power remains a high concern for many households, particularly across poorer wealth groups. In July 2021, purchasing power as measured by the terms of trade (a ratio) between labor wages and the cost of the MFB was lower than the same time last year, by 15 percent for both unskilled and agricultural laborers in IRG-controlled areas and by 1 percent and 5 percent for agricultural and unskilled laborers, respectively, in SBA-controlled areas. At July wage rates and prices, an agricultural or unskilled laborer working 10 full days per month would earn close to the cost of the MFB in both IRG- and SBA-controlled areas. However, labor opportunities are often scarce during much of the year.

Saudi Arabia recently announced new labor nationalization policies limiting the percentage of foreign workers in government-run institutions, including the large share of the private sector contracted by Saudi institutions. The limit for Yemeni workers is 25 percent. To date, academics and doctors working in the southern Aseer, Al-Baha, Najran, and Jazan provinces have been worst affected, though there are reports of Yemenis losing their jobs elsewhere in the country. The Yemeni families of these affected individuals have lost an important income source. While the policy has not yet been fully implemented, remittances from family members in Saudi Arabia are an important source of income for millions of households in Yemen.

Driven largely by declining purchasing power, the prevalence of WFP-defined ‘inadequate food consumption’ (a Poor or Borderline Food Consumption Score) in IRG-controlled areas in July 2021 was more than 5 percentage points higher than at the same time of the previous year according to their mobile phone survey data (Figure 2). In SBA-controlled areas, a slight decline may be linked to the resumption of monthly assistance distributions in those areas. Improvement in food consumption recorded in April and May is likely mainly due to Ramadan and Eid.

Above-average rainfall has been observed to date during Yemen’s second rainy season, particularly in the highlands where the main cereal cultivation season is ongoing. This is expected to be contributing to improved crop conditions as well as availability of pastures. On the other hand, unexpected storms and heavy rain since late July caused flooding in several parts of Yemen for the second time this year, damaging infrastructure, destroying homes and shelters, and causing deaths and injuries. As of August 12, an estimated 13,596 households had been impacted across the country. The largest impacts on displaced households were reported in Amran, Hajjah, Marib, Sana’a, and Taizz governorates. Damages and property loss due to floods were also reported in Al Hudaydah, Al Mahwit, Sana’a City, Al Bayda, Al Maharah, Shabwah, Abyan, Taizz, Aden, Lahj, Al Dhale’e, Ibb, Sa’ada, Hadramaut, and along the Red Sea coast.

**Figure 2.** Prevalence of inadequate food consumption (poor and borderline) according to WFP mobile phone surveys, July 2020 to July 2021



Source: WFP VAM

According to data from the satellite-derived Normalized Difference Vegetation Index (NDVI), vegetation conditions are likely above average across much of the country (Figure 3) at a time when pasture availability is typically near seasonally high levels. Meanwhile, FAO has completed another month-long [livestock vaccination and treatment campaign](#) in early August 2021. The campaign covered over 600,000 sheep and goats in 16 districts of Yemen. Over 36,000 households whose primary source of food and income is their livestock are reported to have benefited. Sufficient pastures and recent vaccination/treatment are expected to be supporting livestock body conditions, though data and information is limited. Meanwhile, livestock exports to Saudi Arabia and other neighboring countries are likely being hindered by conflict and COVID-19 related travel restrictions. Export levels are expected to be similar to last year and below pre-COVID levels.

A third wave of COVID-19 has been impacting Yemen since late July. In the second week of August, Yemen recorded its highest weekly caseload in two months, with [214 confirmed cases](#) and 15 associated deaths. The number of new COVID-19 cases reported daily has reached levels [similar to the peak of the first wave](#) and has not yet plateaued. The cumulative number of confirmed COVID-19 cases reported to WHO stood at [7,676](#) as of August 27. Official COVID-19 figures pertain to IRG-controlled areas only, as non-reporting from SBA-controlled areas has continued. Meanwhile, the vaccination program rolled out in late April has been slow in implementation. As of July 27, [311,483](#) vaccine doses had been administered in Yemen according to WHO, enough for the first dose for merely 1 percent of the population. [As of August 29](#), Yemen has received 151,200 doses of the Johnson & Johnson vaccine, and [360,000](#) doses of the AstraZeneca vaccine are expected to be received during the coming days.

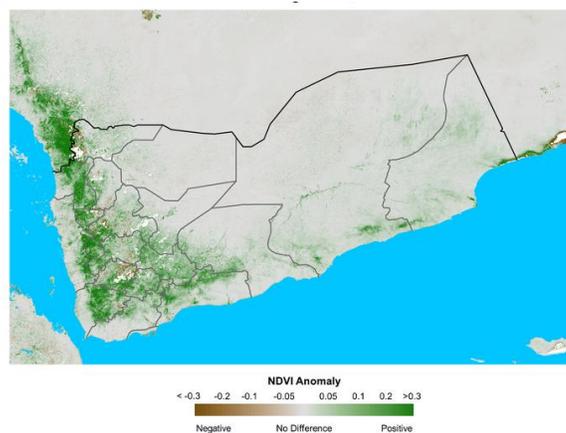
Across Yemen, nearly 12.5 million people (more than 40 percent of the population) received emergency food assistance in June 2021 [according to FSAC](#), increasing from the 8.9 million individuals assisted in May. Rations are equivalent to approximately 80 percent of one month's caloric needs. Beginning in June, around [6 million beneficiaries](#) in SBA-controlled areas of Hajjah, Al Jawf, Amran, Al Hudaydah, Raymah, Al Mahwit, Sa'ada, Dhamar, and Taizz are again receiving monthly rations of emergency food assistance. The frequency of distributions in SBA-controlled areas was reduced from monthly to every other month in April 2020. In July, Saudi Arabia contributed [60 million USD](#) to support WFP emergency food assistance, which is likely to allow WFP to continue scale-up to monthly assistance distributions for many remaining beneficiaries. The World Bank has also recently provided [127 million USD](#) to support cash-for-work and nutrition programs in rural areas.

Access to food and income remains below average for most Yemenis. Purchasing power continues to decline, especially in IRG-controlled areas where food prices have increased most rapidly. Income from remittances is likely below average and households that rely on government salaries (especially in IRG-controlled areas where households are more highly dependent on this income source) continue to struggle due to delayed payments. Across the country, above-average prices of fuel and other commodities are further constraining purchasing power, while COVID-19 is likely reducing ability to work and increasing health costs for affected households. In the highlands, the main cereal cultivation season is likely providing some access to income from agricultural labor opportunities, while it is nearing the peak of the lean season in lowland areas and labor opportunities are likely scarce. However, recent contributions to humanitarian funding is enabling WFP to scale up emergency food assistance, improving food consumption for many beneficiary households and reducing the number of households facing Crisis (IPC Phase 3) or worse outcomes, though this is not assessed to be changing outcomes at the area level. Overall, **Crisis (IPC Phase 3) and Crisis! (IPC Phase 3!) outcomes are expected** at the area level across most of the country, with millions of poor households likely facing food consumption gaps or engaging in damaging livelihood coping strategies even in the presence of large-scale humanitarian assistance. Worst-affected households—including poor households not accessing humanitarian assistance or who are highly market-dependent—are expected to be facing worse outcomes.

## UPDATED ASSUMPTIONS

The assumptions used to develop FEWS NET's most likely scenario for the [June 2021 to January 2022 Food Security Outlook Report](#) remain unchanged, except the following:

**Figure 3.** Normalized Difference Vegetation Index (NDVI), August 11-20, 2021, minus median



Source: USGS/EROS

- Conflict between SBA and IRG forces is likely to continue at current high levels, similar to past years, with typical fluctuations in the intensity of conflict. Although not the most likely scenario, it remains possible for SBA forces to continue their advance on Marib and Al Bayda. In the south, progress towards implementing the [late 2019 Riyadh Agreement](#) is expected to remain stalled, and incidents of civil unrest are likely to increase in areas most affected by high prices and inadequate provision of public services including electricity and water.
- Income from foreign remittances is expected to remain below pre-COVID levels (and is no longer expected to increase during the projection period) due to Saudi Arabia’s vaccination requirements to enter the country and due to Saudi labor nationalization policies, including the most recently announced limits on Yemeni workers.
- The recent 665 million USD deposit from the IMF will provide an important source of foreign reserves for the country. This as well as recent regulations by the Aden-based Central Bank of Yemen to control and monitor the private exchange shops is likely to support the local currency, with the Rial in IRG-controlled areas expected to appreciate slightly and remain somewhat more stable on the parallel market in the short term (one to three months). However, overall, depreciation of the currency is still expected in IRG-controlled areas throughout the projection period. Though food prices may decline slightly alongside temporary periods of appreciation, food prices are similarly expected to increase overall throughout the projection period.

### PROJECTED OUTLOOK THROUGH JANUARY 2022

In highland areas, agricultural activities related to the main cereal cultivation season will likely provide some income-earning opportunities through the harvest period in late October and November. Around that time, agricultural households’ access to food from their own production will likely improve, and pastoralist and agro-pastoralist households will also likely have better access to food and income due to pasture and fodder availability from the cereal harvest, expected to support livestock body conditions. However, agricultural production will likely remain below pre-crisis levels, and improvements in food consumption are only expected to last for a few months. By January 2022, the local lean season will be beginning.

In coastal areas and the eastern plateau, the lean season will be peaking around September. Food and income from agricultural sources will likely be limited. In coastal areas and Socotra, fishing and other income-earning activities are expected to increase around October as the windy monsoon season ends.

Overall, access to food and income is expected to remain below average and significantly below pre-crisis levels for millions of Yemeni households due to expectations for below-average access to income and rising food prices, with purchasing power expected to decrease for many households—especially in IRG-controlled areas—throughout the projection period. The direct impacts of conflict and insecurity will also further reduce access to food and income from typical sources for affected households. However, the anticipated further scale-up in emergency food assistance as well as the expansion of other humanitarian programs due to new funding contributions is expected to improve beneficiary households’ ability to meet their needs. Overall, given the recent and anticipated scale-up in assistance, the number of households facing Crisis (IPC Phase 3) or worse outcomes in SBA-controlled areas is anticipated to be lower than the previous year. **Overall, widespread Crisis (IPC Phase 3) and Crisis! (IPC Phase 3!) outcomes** are expected to persist at the area-level throughout the projection period, with millions of people expected to remain in urgent need of humanitarian assistance. Though not the most likely scenario, significant declines in commercial import levels and/or conflict that cuts off food supply to some areas could lead to food security outcomes in line with Famine (IPC Phase 5).

#### *Events that Might Change the Outlook*

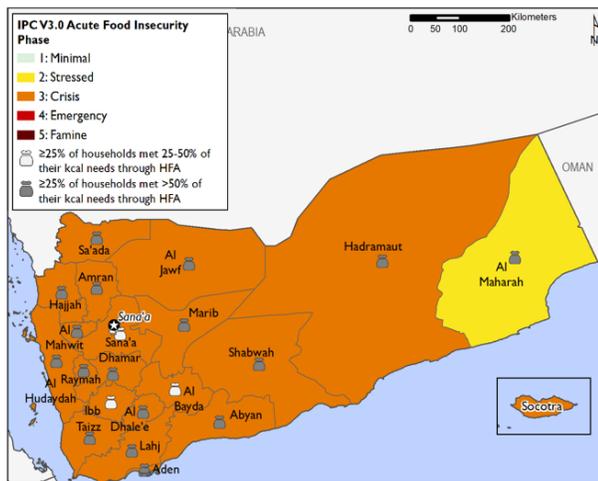
Possible events that could change the most-likely scenario through January 2022:

| Area     | Event   | Impact on food security outcomes   |
|----------|---|--|
| National | Full implementation of Saudi Arabia’s new nationalization policies across the country and further reduction in remittances to Yemen | The new rules imposed to reduce the number of Yemeni workers in Saudi Arabia would likely impact around 700,000 Yemenis in case of full implementation across the country. Remittances are an important source of foreign currency, and further reduction in inflows would exacerbate existing foreign currency shortages and lead to depreciation of the local currency. Food and fuel price would likely increase, further reducing poor households’ ability to meet their needs and leading to an increase in the number of households facing Crisis (IPC Phase 3) or worse outcomes. |

**MOST LIKELY FOOD SECURITY OUTCOMES AND AREAS RECEIVING SIGNIFICANT LEVELS OF HUMANITARIAN ASSISTANCE\***

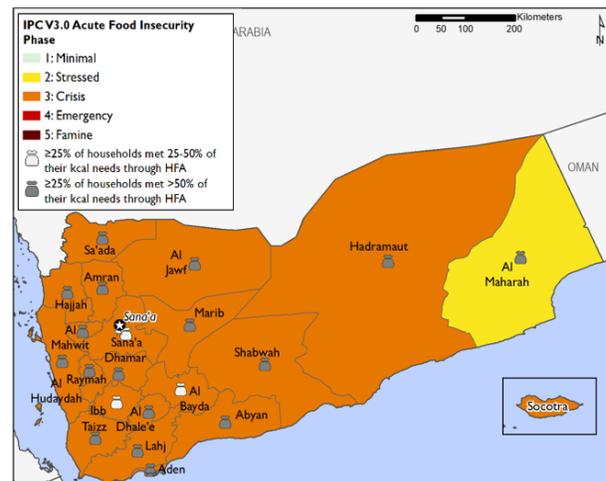
Each of these maps adheres to IPC v3.0 humanitarian assistance mapping protocols and flags where significant levels of humanitarian assistance are being/are expected to be provided. ☹️ indicates that at least 25 percent of households receive on average 25–50 percent of caloric needs from humanitarian food assistance (HFA). 🏠 indicates that at least 25 percent of households receive on average over 50 percent of caloric needs through HFA. This mapping protocol differs from the (!) protocol used in the maps at the top of the report. The use of (!) indicates areas that would likely be at least one phase worse in the absence of current or programmed humanitarian assistance.

Projected food security outcomes, August to September 2021



Source: FEWS NET

Projected food security outcomes, October 2021 to January 2022



Source: FEWS NET

FEWS NET classification is IPC-compatible. IPC-compatible analysis follows key IPC protocols but does not necessarily reflect the consensus of national food security partners.

**ABOUT THIS UPDATE**

This report covers current conditions as well as changes to the projected outlook for food insecurity in this country. It updates the FEWS NET’s Food Security Outlook, which is published three times per year. Learn more about our work [here](#).