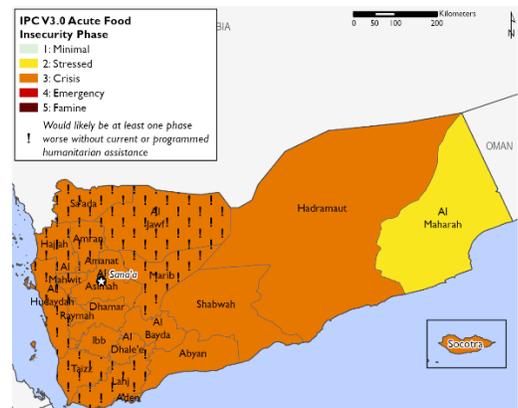


*Households in Marib at risk of assistance disruptions due to conflict, with IDPs most vulnerable*

**KEY MESSAGES**

- After escalating in September, high levels of conflict in Marib persisted into late October as forces of the Sana’a-Based Authorities (SBA) continued gaining territory. Driven by conflict, high levels of displacement and re-displacement are putting more pressure on limited community resources and increasing humanitarian needs among a growing displaced population. From October 3 to 16 alone, around 25,000 people were newly displaced in the governorate.
- As of late October, the only major supply route into Marib City fully controlled by the Internationally-Recognized Government (IRG) is the eastern Hadramaut road. It is now considered most likely that SBA forces will take control of Marib City within the projection period. As households in Marib City anticipate this possibility, those who can afford to do so are likely stockpiling essential commodities. Due to increased consumer demand and trade disruptions including longer travel routes, traders are expected to be further increasing prices.
- Despite large-scale humanitarian assistance in Yemen—which provides a key source of food and income for around half the population—food gaps persist for many households due to both high levels of need and challenges in targeting. Across most of the country, Crisis (IPC Phase 3) and Crisis! (IPC Phase 3!) outcomes are expected to persist throughout the projection period at the governorate level alongside deteriorating purchasing power, with worst-affected households expected to face Emergency (IPC Phase 4) or Catastrophe (IPC Phase 5) outcomes. In Marib, should SBA forces take Marib City, humanitarian assistance is expected to be disrupted for around one to two months as humanitarians negotiate access. During this time, widening consumption gaps and Emergency (IPC Phase 4) outcomes are likely for worst-affected households—particularly among recently displaced households expected to have lower levels of income and limited coping capacity.
- Overall, the rate of depreciation of the Yemeni Rial (YER) has accelerated in IRG areas, despite a period of appreciation in early October alongside the announcement of an additional round of the Letter of Credit import financing mechanism. As of October 31, the exchange rate in Aden depreciated to reach **1,350 YER/USD**, a 15 percent depreciation compared to the same time last month. Rapid depreciation later in October is at least partially attributed to traders in Marib purchasing foreign currency in anticipation of SBA forces taking Marib City and enforcing the SBA ban on new banknotes.

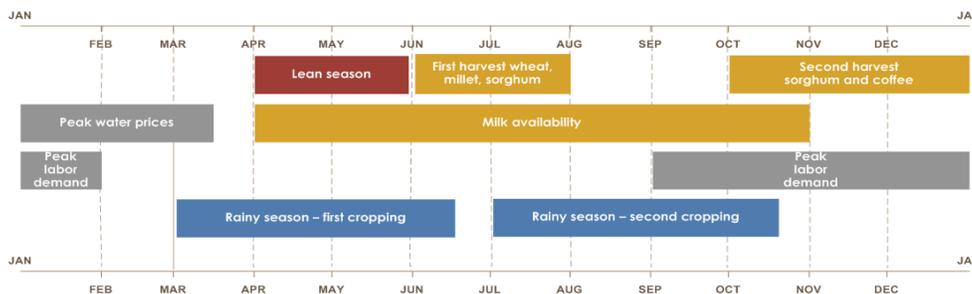
Current food security outcomes, October 2021



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.

**SEASONAL CALENDAR FOR A TYPICAL YEAR**



Source: FEWS NET



Depreciation of the currency, rising prices, and deteriorating public services are driving **intensifying civil unrest in IRG areas**. According to data from Intelyse, 79 demonstrations were recorded in September 2021, more than four times the 2016-2020 monthly average and the highest monthly total on record since 2013. In October, 30 demonstrations were recorded, more than double the monthly average. The vast majority of protests in recent months have occurred in IRG areas, with several protests turning violent.

In northern SBA-controlled areas, the **exchange rate has remained relatively stable** at around 600 YER/USD over the past year and a half. This stability is in large part attributed to strict enforcement of a ban on newly printed Rial bank notes. In contrast, authorities in IRG areas have periodically received shipments of new bank notes printed as a temporary solution to the problem of insufficient government revenue. In addition to this, SBA-controlled areas have **greater access to foreign exchange** from foreign remittances and from trade with IRG areas, supporting the value of the local currency. Most foreign remittances are sent to SBA areas, at least partially due to its larger share of the national population and closer proximity to Saudi Arabia. Meanwhile, SBA areas are more productive and typically supply agricultural commodities and other goods to IRG-controlled areas. Because traders in SBA areas are now dealing mainly in Saudi Riyal given the ban on new Rial bank notes, this is providing an additional source of foreign currency to SBA-controlled areas.

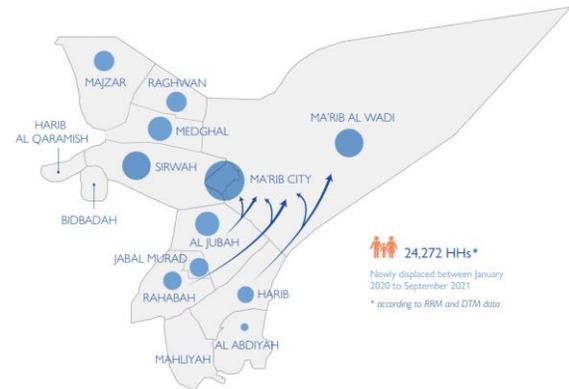
Information and analysis by ACAPS supports earlier analysis that **foreign remittance inflows** likely declined notably in the March to June 2020 period due to impacts of the COVID-19 pandemic on the global economy, and gradually recovered since then, nearing pre-COVID-19 levels by July 2021. However, it should be noted that Saudi Arabia—Yemen's most important source of remittances and host to an estimated **1.8 million** Yemeni workers—has been increasingly enacting labor nationalization policies over the years, including restricting opportunities for foreign workers, increasing fees and taxes, and allowing the **private sector** to cut pay and lay off workers during the COVID-19 pandemic, reportedly resulting in the layoff of **hundreds of thousands** of migrant workers. More recently, in the second half of 2021, Saudi Arabia imposed a vaccination requirement at land borders—expected to be restricting movement of Yemeni migrant workers into Saudi Arabia due to low vaccination rates in Yemen—and announced new limits on the percentage of foreign workers in government-run institutions. Given this, in October 2021, income from foreign remittances is expected to be higher than the same time last year during the time of peak COVID-19 impacts, though still below pre-COVID levels. Because of the pandemic, ACAPS reports that there has been a shift in the most widely used mode of sending remittances to Yemen, from cash to digital and informal to formal.

Within Yemen, diverging exchange rates have significantly increased the cost of sending **internal remittances** from IRG to SBA areas but have significantly reduced the cost of sending remittances from SBA to IRG areas; the value of the YER in IRG areas is now less than half of that in SBA areas. Additionally, **closures of Yemeni banks and currency exchange shops**—either forced as a result of regulation or as a voluntary act of protest—are common and disrupt remittance transfers.

Yemen is highly dependent on **imports** for its supply of staple food commodities. These imports are secured almost entirely by the private sector, which has been successful in sustaining supply despite challenges in accessing foreign exchange, rising costs due to delays in obtaining clearances for incoming shipments, and logistical challenges that include the disruption of access to key ports. According to data from UNVIM, food imports through the Red Sea ports of Al Hudaydah and Al Salif have been generally **stable** in recent months, with the monthly average volume imported from January to September 2021 (309,917 MT), almost the same as the 2020 monthly average. Through the rest of Yemen's main sea and land ports, food imported in July and August 2021 stood at a total 301,109 MT according to data from FAO, an increase of 4 percent compared to the same period of 2020. Despite overall stability in food import volumes, weakening consumer demand is resulting in a **shift in the quality of imported goods available**. According to key informants, more expensive and high-quality varieties of food items (such as high-quality basmati rice) are becoming less available across the country.

Across the country, **fuel shortages and rising prices** continue to negatively affect livelihoods and put upward pressure on prices of food, water, and other essential goods. In SBA-controlled areas, fuel import volumes have remained significantly below average since mid-2020. According to data from UNVIM, from January to September 2021, the monthly average volume of

**Figure 1.** Location of households newly displaced in Marib, by district, from January 2020 to September 2021



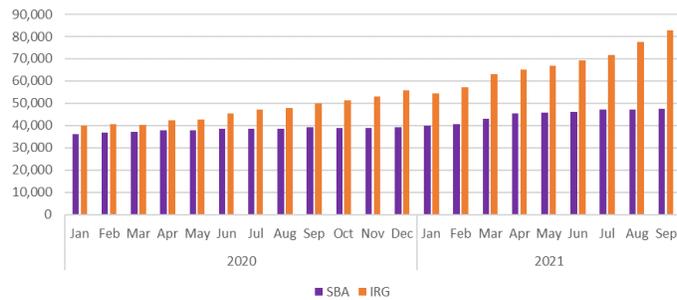
Source: IOM

fuel imported through the Red Sea ports was 78 percent lower than the January to May 2020 monthly average. Since the period of shortages started in June 2020, fuel has been only sporadically available at official fuel stations in SBA-controlled areas, forcing customers to pay higher prices at private/commercial and unofficial stations. As of October 10, 2021, official stations in SBA-controlled areas had temporarily resumed selling fuel with retail prices of 425 YER/L for petrol and 395 YER/L for diesel, according to the [Yemen Petroleum Company](#). These prices are 64 and 34 percent higher, respectively, than official prices at the same time in 2020 according to data from [FAO](#). Unofficial prices<sup>1</sup> of petrol and diesel in SBA areas have declined since February 2021 due to improved availability at commercial fuel stations and, as of late September, were 565 YER/L and 588 YER/L, respectively, still 33 and 49 percent higher, respectively than official prices. Meanwhile, IRG areas have been increasingly impacted by rising fuel prices and periods of shortages in 2021. According to data from [FAO](#), official prices of diesel and petrol in September 2021 were **136 and 193 percent higher**, respectively, than the same time last year. More recently, IRG authorities increased official fuel prices for the third time in the past three months. Petrol prices were increased from 640 YER/L to 740 YER/L, while information for diesel is not yet available.

**Food prices have continued to increase** in both IRG- and SBA-controlled areas in recent months, particularly in IRG-controlled areas due to rapid currency depreciation which is increasing the cost of importation. Nevertheless, fuel price increases in 2021 have put additional upward pressure on food prices across Yemen. In SBA-controlled areas, the monthly average cost of the minimum food basket (MFB) remained **stable** in September 2021 compared to August, though at prices 22 percent higher compared to September 2020 according to data from [FAO](#) (Figure 2). In IRG-controlled areas, the monthly average cost of the MFB increased by 7 percent from August to September, to reach levels 66 percent higher compared to September 2020.

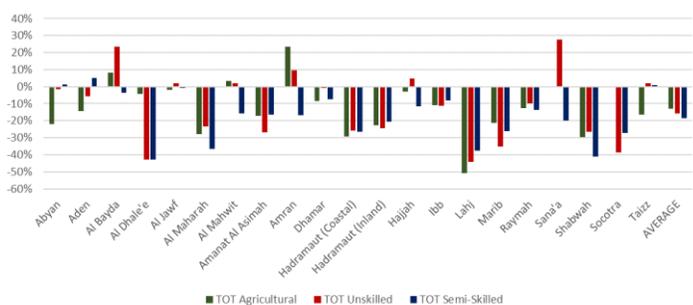
Over the years, **labor wages** have been increasing due to inflation. However, wage increases have generally been insufficient to keep up with rising food prices. In September 2021, on average at the national level, terms of trade (a proxy measure of **purchasing power**) for laborers—defined as the amount of wheat flour a laborer can buy with one day’s wages—was lower than the same time last year, by 13 percent for agricultural laborers, 16 percent for unskilled laborers, and 19 percent for semi-skilled laborers. However, trends vary across governorates (Figure 3). Overall, laborers faced the lowest purchasing power in September 2021 in Shabwah, Lahj, Abyan, and Hadramout (Figure 4). Based on September

**Figure 2.** Average monthly cost of the Minimum Food Basket (MFB) (YER/month) in SBA and IRG areas, January 2020 to September 2021



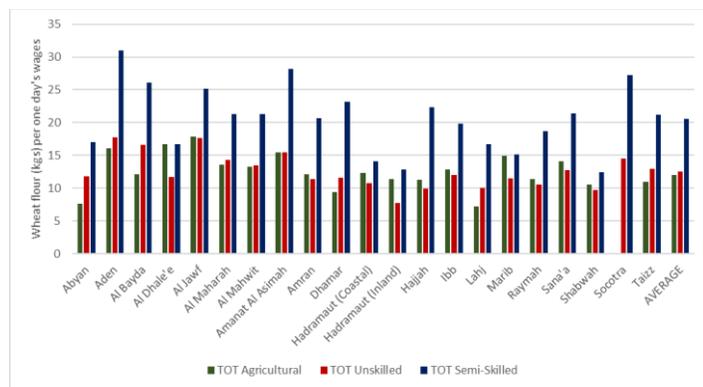
Source: FEWS NET using data from FAO

**Figure 3.** Terms of trade (a proxy measure of purchasing power) for laborers; defined as kilograms of wheat flour a laborer can buy from one day’s wages; percent change from September 2020 to September 2021



Source: FEWS NET using data from FAO

**Figure 4.** Terms of trade (a proxy measure of purchasing power) for laborers; defined as kilograms of wheat flour a laborer can buy from one day’s wages; September 2021



Source: FEWS NET using data from FAO

<sup>1</sup> Average of parallel market and commercial prices as per FAO’s data collection methodology

2021 wage rates and prices, agricultural and unskilled laborers would have to work for more than 10 full days to cover the full monthly cost of the MFB—in both SBA and IRG areas—expected to be very challenging due to low demand for labor given continuous economic decline.

**Cumulative rainfall** in the July to October 2021 rainy season has been above average across much of the west and northeast and near average in central Yemen. This is expected to have supported the **agricultural season**. In October, harvesting activities are ongoing in highland areas of Yemen during the main harvest season, expected to be providing some limited seasonal support as households access food from their own production and income from agricultural labor opportunities. In some areas—mainly in Tihama—households are also accessing some seasonal food and income from livestock products and livestock sales. Poor households across the country are also expected to be accessing some income from casual labor (particularly in urban areas and along the agricultural supply chain during harvesting time), petty trade, remittances, and humanitarian cash transfers. Agricultural production levels are below long-term averages for most crops due to the impacts of protracted conflict, including displacement, restricted access to land, loss of productive assets, and rising prices of agricultural inputs. This has incentivized a shift away from production of other crops in favor of qat, a cash crop with strong internal demand in Yemen.

According to FAO, some **summer-bred locust swarms are likely present** in parts of Yemen's interior due to favorable breeding conditions triggered by heavy rains and floods in July and August. However, a **renewed control campaign** launched in the governorates of Lahj, Abyan, and Shabwah in September 2021, supported by FAO and the World Bank, is **reducing the chances of infestation**. According to FAO, over 670,000 hectares of land have been surveyed from March to September 2021.

The healthcare system in Yemen has been devastated by conflict, with nearly half of all hospitals across the country out of service. As of late October, the number of new **COVID-19** cases reported daily (across IRG-controlled areas only) has **continued to decline** since the peak of the third wave in early September 2021. As of October 28, **534,590 vaccine doses** have been administered across IRG-controlled areas according to the WHO, with 327,016 people (only around 1 percent of the country's population) vaccinated with at least one dose.

Despite the fact that the Yemen Humanitarian Response Plan was only **54.5 percent funded** as of October 2021, humanitarian programs have been scaled up in recent months. In August 2021, 12.6 million individuals (42 percent of the country's population) were supported with **emergency food assistance** by Food Security & Agriculture Cluster (FSAC) partners, with rations equivalent to approximately 80 percent of households' total monthly caloric needs. Prior to the June 2021 scale-up from bimonthly to monthly assistance distributions in SBA-controlled areas of Al Hudaydah, Al Jawf, Al Mahwit, Amran, Dhamar, Hajjah, Raymah, Sa'ada, and Taizz, an average of 8.9 million individuals (30 percent of the country's population) had been reached monthly from January to May 2021. This scale-up is expected to be supporting improved food consumption for beneficiary households now being reached monthly. In SBA-controlled areas of Al Bayda, Al Dhale'e, Ibb, Marib, Sana'a, and Amanat Al Asimah (Sana'a City), beneficiaries are still receiving assistance once every two months. In Abyan, Lahj, and Marib, the proportion of the population reached with emergency food assistance also increased, on average, from the January-May to June-August periods: in Abyan from 53 to 58 percent; in Lahj from 60 to 68 percent; and in Marib from an estimated 32 to 38 percent of the population (though population estimates vary), with further scale-up to 46 percent of the population in August, likely due to its growing IDP population. Of the 12.6 million who received FSAC emergency food assistance in August 2021, 68 percent received in-kind assistance, 19 percent received commodity vouchers, and 12 percent received cash. Beneficiaries who receive cash assistance—mainly in IRG-controlled areas—continue to be impacted by food price increases. Despite the July 2021 **revision of the cost of the MFB** from 53,000 to 71,000 YER for IRG areas and from 45,000 to 50,000 YER for SBA areas, not all partners have likely been able to increase transfer amounts due to budget limitations.

According to WHO **nutrition surveillance** at 219 sentinel sites across 22 governorates, the prevalence of Moderate Acute Malnutrition (MAM) and Severe Acute Malnutrition (SAM), as measured by weight-for-height z-score among children screened, has increased slightly in the June to August 2021 period relative to the beginning of the year, in accordance with expectations based on seasonal trends. However, it should be noted that these are non-representative data and are subject to bias from changes in the locations of sites and the number of people seeking treatment.

Years of conflict, insufficient income, and rising prices have eroded most of households' traditional coping strategies, forcing thousands of poor households to adopt more severe strategies such as eating from restaurants' leftovers/trash, marrying their underage daughters, or sending their sons to join armed groups. Despite large-scale humanitarian assistance, millions are expected to be facing food consumption gaps due to high levels of need and challenges in assistance targeting. **Crisis (IPC Phase 3) and Crisis! (IPC Phase 3!) outcomes** are currently expected to be widespread at the area-level, with worst-affected households facing Emergency (IPC Phase 4) or Catastrophe (IPC Phase 5) outcomes.

### Assumptions

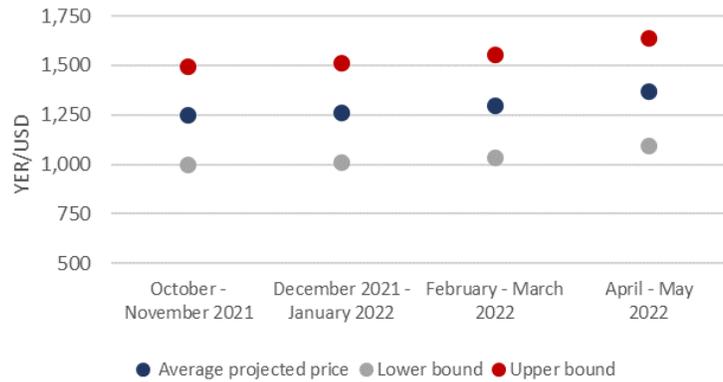
The most likely scenario for the October 2021 to May 2022 period is based on the following national-level assumptions:

- Conflict between SBA and IRG forces is likely to continue at current high levels in most areas, similar to past years, with typical volatility in conflict intensity. Given recent advancements, it is now considered most likely that SBA forces will take Marib City during the projection period, with above-average levels of conflict—in particular from airstrikes by the Saudi-led coalition—and additional population displacement expected, especially in Marib and Shabwah. Access constraints are expected to persist in areas impacted by conflict. In the south, progress towards implementing the Riyadh Agreement is expected to remain stalled alongside tensions between the IRG and STC. Resulting insecurity—particularly in Aden and Abyan—is expected to result in access constraints. Levels of civil unrest are likely to increase in southern areas affected by high prices and inadequate provision of public services including electricity and water. Temporary access constraints are expected during protests.
- Peak risk of cyclone strikes and associated flooding for Socotra and the southern Aden Gulf coast is expected from mid-April to mid-June and from October to December. However, an atypically low risk of cyclone strikes exists through December 2021 given average to below-average sea surface temperatures.
- Given the most likely scenario of a weak La Niña through the spring, rainfall during Yemen's first rainy season from March to May 2022 is most likely to be below average. Risk of flooding during this time is expected to be below average due to the rainfall forecast. Above-average mean temperatures are most likely across most of Yemen with average mean temperatures expected in some central areas throughout the projection period.
- Overall, crop production levels are expected to be similar to last year but below pre-crisis (February 2015) levels due to the impacts of protracted conflict and increasing input prices. Nominal income from crop sales is likely to be higher than last year due to inflation, but real income is expected to be similar to last year and below pre-crisis levels.
- Harvesting of qat is expected year-round in higher elevation areas. Qat production is expected to be near average given prioritization of this cash crop. Real income from qat sales is expected to be near average.
- As is typical, pasture conditions are generally expected to deteriorate through February/March before improving in the spring. Given several rounds of livestock vaccination by FAO and MAIL since late 2020, livestock body conditions and productivity are expected to be similar to last year, with improvements over last year possible in some areas. Milk availability is expected to remain seasonally available through the October-December period and is expected to then be available again around March. Overall, nominal income from livestock and livestock product sales is expected to be above average, while real income is expected to be similar to or less than last year but below pre-crisis levels due to declining herd sizes.
- Food and income from fishing will be at seasonally high levels throughout the projection period but will likely remain below pre-crisis levels due to significantly above-average fuel prices, conflict-related access constraints, and lack of cold chain infrastructure.
- Significant shifts in oil production are not expected within the timeframe of the projection period. Oil production and export levels in 2021 and 2022 are likely to be similar to levels in 2020. Given the likelihood that global oil prices will [remain high](#), foreign exchange earnings from oil exports in 2021 are expected to be slightly higher than last year's levels and above the five-year average, but significantly below pre-conflict levels.
- COVID-19 vaccination rates are expected to remain relatively low due to cultural considerations and unacceptance of the vaccine. Currently enacted control measures including at land borders are expected to remain in place. Strict internal control measures are not anticipated.
- Income from foreign remittances is expected to remain below pre-COVID due to Saudi Arabia's vaccination requirements to enter the country and due to Saudi labor nationalization policies.
- Given expectations for oil export revenue, remittances, and funding for humanitarian operations, foreign currency shortages are expected to persist throughout the scenario period. Informal markets will continue to play a key role in regulating access to foreign currency.
- Due to the impacts of protracted conflict and foreign currency shortages, macroeconomic conditions are likely to continue deteriorating. In IRG-controlled areas, the YER is expected to depreciate throughout the projection period

due to the inability of the CBY in Aden to meaningfully intervene, with the average exchange rate in the April/May 2022 period across IRG areas likely exceeding 1,300 YER/USD (Figure 5). In SBA-controlled areas, the YER is expected to remain generally stable.

- Due to persistent government revenue shortages, payment of pensions and civil servant salaries will likely remain intermittent or absent in many areas, with SBA areas worst affected. Real income will remain significantly below pre-conflict levels.

**Figure 5.** Exchange rate (YER/USD) projections, average across IRG areas, October 2021 to May 2022, average per two-month period



Source: FEWS NET

- In lowland areas (coastal and inland), availability of agricultural and non-agricultural labor is expected to seasonally increase around November with the start of the agricultural season in late October and remain at seasonally high levels through the remainder of the projection period. In highland areas, availability of labor is expected to seasonally increase through late 2021 and decrease through February/March before increasing again. Availability of labor is expected to remain below average overall. Though nominal wages are expected to increase due to inflation, the real value of income from labor is expected to remain stable or decrease and remain below average.
- Saudi Arabia has announced that it will not provide further financial support to importation in Yemen. Given this alongside expectations for currency depreciation, government revenue, and tensions between the IRG and STC, traders are not expected to have further access to foreign currency through the LOC mechanism (beyond the current round) during the projection period, resulting in higher costs of importing food and fuel. Food imports of basic commodities are expected to continue at current levels. A sharp and sustained decline in levels of food imports is not expected in the projection period, though remains possible should there be a shock that impacts availability of foreign currency in Yemen (such as a reduction in foreign exchange inflows from oil exports, remittance inflows, or activities of development/humanitarian organizations). Informal trade of food and livestock across land borders is expected to be constrained due to Saudi Arabia’s COVID-19 vaccination requirement, similar to the dynamics last year.
- In SBA-controlled areas, fuel imports are expected to remain low, with month-to-month volatility expected. Availability of fuel at official stations is expected to remain sporadic. Official fuel prices will likely remain close to current levels. Fuel will likely continue to be supplied to private stations, with unofficial selling prices remaining higher than official prices, and expected to surpass 660 YER/L by May 2022, driven by high global fuel prices. In IRG-controlled areas, fuel imports are expected to continue at current levels. Due to expectations for depreciation of the local currency, official fuel prices are expected to further increase beyond already significantly above-average levels.
- Driven by depreciation of the YER, increased costs of imports, and increasing fuel prices, prices of essential food and non-food items are expected to increase throughout the scenario period, with southern areas worst affected. Prices of staple wheat flour (imported) are expected to reach 770 YER/kg across IRG areas and 430 YER/kg across SBA areas, on average, by May 2022.
- Provision of emergency food assistance is likely to continue near current levels, with sharing of benefits expected between households. Access to assistance is expected to be temporarily constrained where conflict or flooding block roads. WFP school feeding programs and nutrition treatment programs are expected to continue operating at current capacity. In Marib, should SBA forces take Marib City, humanitarian assistance is expected to be disrupted for around one to two months as humanitarians negotiate access.

*Most Likely Food Security Outcomes*

The ongoing main spring harvest in the highlands and large parts of the lowlands is expected to temporarily increase many rural households’ access to food from their own production in the coming months. In lowland areas, availability of food and

income is expected to seasonally increase throughout most of the projection period as the agricultural season progresses, including from harvesting of cereals in late 2021/early 2022. In highland areas, availability of food and income is expected to seasonally decline throughout most of the projection period, reaching seasonally low levels during the local lean season in February/March 2022, before improving with the winter harvest around April.

Overall, the contribution of households' own production to their total food needs is expected to be limited, and many households will still rely on market purchases in the coming months. As prices of food and essential non-food commodities continue to rise, most households are expected to have very limited ability to expand income-earning to compensate, and any increases in nominal income (from labor, crop and livestock sales, etc.) due to inflation are not expected to keep up with the rising costs of essential goods, on average. As such, overall financial access to food from market purchases will likely be similar to or lower than last year for many poor households and will remain significantly below pre-conflict levels throughout the projection period, with areas under IRG control worst affected by declining purchasing power.

Throughout the projection period, the number of poor households facing consumption gaps and Crisis (IPC Phase 3), Crisis! (IPC Phase 3!), or worse outcomes as they exhaust available coping strategies is expected to increase due to rising prices and declining purchasing power, with market-dependent households worst affected. For around half of the country's population, emergency food assistance will remain a key source of food and income, preventing consumption gaps for many households including in relatively better-off wealth groups. However, even in areas where a high proportion of the population receives nearly full rations of assistance, some beneficiary households are expected to be unable to fully meet their food needs due to very low access to food and income from other sources and/or due to sharing of assistance benefits with non-beneficiary households. Additionally, beneficiaries who receive cash transfer benefits in IRG areas are expected to face declining value of transfer benefits as prices continue to rise. In areas under SBA control that will continue to receive food assistance only every two months, a relatively higher proportion of poor households are likely to remain facing consumption gaps. At the area level, Crisis (IPC Phase 3) and Crisis! (IPC Phase 3!) outcomes are expected to persist throughout the projection period. Areas that are directly impacted by conflict and by depreciation of currency in the south are of highest concern.

In Marib, high levels of conflict are expected to continue, with SBA forces expected to take control of Marib City during the projection period. Additional households will be displaced or re-displaced, with levels of displacement proportional to the intensity of the resistance—if any—in the fight for Marib City. While some re-displaced households would likely move back to their original homes in western parts of the governorate, others are likely to move to eastern parts of Marib, Shabwah, and Hadramaut. It remains possible that conflict restricts movement and prevents households from fleeing to safer areas and from being reached with humanitarian assistance in locations of their displacement. Should this occur, Emergency (IPC Phase 4) or Catastrophe (IPC Phase 5) outcomes would be likely for these displaced populations. In the stretch of days after conflict reaches the city, Emergency (IPC Phase 4) or Catastrophe (IPC Phase 5) outcomes would also be likely among worst affected households in Marib City who cannot access markets. Should SBA forces take Marib City, distribution of humanitarian food assistance would likely be disrupted for a period of around one to two months as humanitarian actors negotiate access with the new authorities. During this time, widening consumption gaps and Emergency (IPC Phase 4) outcomes are likely for worst-affected households—particularly among displaced households expected to have lower levels of income and limited coping capacity. Despite the anticipated increase in the number of households facing Emergency (IPC Phase 4) outcomes—particularly in Marib City and in other areas where assistance cannot reach—some areas of Marib will continue to receive assistance, and the size of the population facing Emergency (IPC Phase 4) is not expected to exceed 20 percent of the governorate's population overall, with Crisis! (IPC Phase 3!) outcomes anticipated at the area level.

In the short term following the likely takeover, many households in Marib City will be impacted by reduced access to income. Conflict and political instability will cause disruptions to normal activity and reduce investment, decreasing daily income-earning opportunities such as from labor. Worsening delays in government salary payments are also expected given the greater irregularity of salary payments in SBA areas. Due to increased consumer demand (as households who can afford to do so stockpile essential commodities) and disruptions to trade including longer travel routes and taxes to enter SBA territory, prices of food and essential non-food items are expected to increase, further constraining household purchasing power and resulting in worst-affected households facing widening consumption gaps given inability to compensate for the loss of humanitarian assistance. In the medium and long term, given the SBA ban on new Rial bank notes, the exchange rate is expected to stabilize and prices will follow similar trends as in other SBA areas. Food prices are expected to decrease somewhat along with a shift in supply chains such that food is being transported from SBA areas.

FEWS NET previously communicated that a Risk of Famine (IPC Phase 5) existed in Yemen, and that Famine (IPC Phase 5) could occur in the event that food supply to the country was significantly disrupted for a prolonged period. While it remains FEWS NET’s analysis that Famine (IPC Phase 5) could occur in this scenario, FEWS NET now assesses that the likelihood of this scenario coming to fruition is *low*. As such, FEWS NET does not expect that Yemen is facing a Risk of Famine (IPC Phase 5) in the projection period.

*Events that Might Change the Outlook*

Possible events over the next eight months that could change the most-likely scenario:

Area	Event	Impact on food security outcomes
National	Inability of humanitarian actors to deliver assistance as planned	Access to food would be significantly reduced for many poor households in affected areas. Beneficiary households would likely face widening consumption gaps until assistance provision resumes, and ability to share food or resources with others in the community would be severely constrained. Many households would likely quickly exhaust any coping strategies that remain available to them, with worst-affected households likely to face Emergency (IPC Phase 4) or Catastrophe (IPC Phase 5) outcomes. Deterioration would be most rapid in areas worst affected by declining purchasing power.
Red Sea coastal areas	Decaying SAFER oil tanker causes a spill	Although this event is not assessed to be highly likely during the scenario period, the risk of this is increasing over time. Should this occur, destruction of fish and fishing grounds would further damage livelihoods along the Red Sea coast, in addition to more widespread environmental consequences. Households dependent on fishing would be expected to face increasingly constrained food access, with an increasing number expected to face Crisis (IPC Phase 3) or worse outcomes.

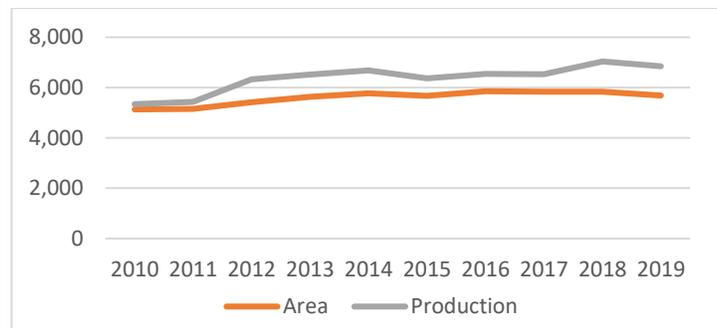
**AREAS OF CONCERN**

**Al Dhale’e Governorate**

*Current Situation*

Al Dhale’e is situated in the mid-south of Yemen, comprising nine districts. As of October 2021, Juban, Damt, Al Husha, large parts of Al Azariq, and some parts of Qa’atabah districts are controlled by SBA forces, while Al Dhale’e, Ash Shu’ayb, Al Huseyn, and Jahaf districts, as well as Al Dhale’e and Qa’atabah Cities, are under **IRG control**. Agriculture remains one of the main pillars of the governorate’s economy. Though Al Dhale’e is famous for its fertile farmland and crop diversity, qat cultivation has been increasing over the years (Figure 6), replacing production of other crops due to high demand for qat in Yemen and comparatively higher profit margins. Qat is the main cash earner in Damt, Juban, and parts of Al Huseyn, Qa’atabah, and Al Husha districts, supplying better-off households with most of their annual income and providing the poor with labor opportunities throughout the marketing chain. Livestock, poultry breeding, and beekeeping are also important economic activities in rural areas. In both urban and rural areas, many households earn income from salaries in the government—especially the military. In urban areas, casual labor provides a particularly important source of income for poor households.

**Figure 6.** Qat production (MT) and planted area (Hectares) in Al Dhale’e, 2010 to 2019



Source: FEWS NET using data from MAI

Conflict has been impacting Al Dhale’e since 2015. For years, prolonged conflict-related road closures have rendered main trade corridors totally inaccessible, forcing traders to take longer travel routes. This has negatively impacted the agricultural

marketing chain—especially for qat—reducing income vulnerable agricultural households would have earned from crop sales (as traders have power to set prices). Increased transportation costs due to longer travel routes have also increased prices of food and essential non-food commodities such as fuel. However, the establishment of alternate trade routes has also provided opportunities for earning income through restaurants, small shops, and petty trading.

In November 2018, conflict escalated, reaching peak intensity in late March 2019 when Al Dhale'e was one of the most conflict-affected governorates in Yemen. During this time, [Qa'atabah](#), [Damt](#), [Al Azariq](#), and [Al Dhale'e](#) districts were worst affected. Since then, three major waves of displacement have occurred in Al Dhale'e, including in [Damt](#) district in November 2018, in [Al Husha](#) district in February 2019, and, most significantly, in [Qa'atabah](#) district in late March 2019. More recently, from January 1 to October 2, 2021, **1,161 households** (almost 7,000 individuals) were displaced to locations within Al Dhale'e monitored by IOM. Al Dhale'e currently hosts at least **30 IDPs sites**—21 spontaneous settlements and seven collective centres—home to 1,326 households (7,250 individuals) as of September 2021. According to the [2021 Humanitarian Needs Overview \(HNO\)](#), around 162,000 displaced people (around 20 percent of the governorate's population) are expected to live in Al Dhale'e. Displacement separates households from assets and livelihoods, and conflict-driven displacement in Al Dhale'e is increasing competition for already scarce labor opportunities in Al Dhale'e and [Qa'atabah](#) cities and continues to put pressure on water and pasture resources, especially in [Qa'atabah](#) district. Currently, [mines and active conflict](#) continue to restrict access to agricultural lands and valleys, turning some into inaccessible military areas.

In SBA-controlled areas of Al Dhale'e, the ban on new Rial bank notes has created serious challenges for crop marketing, as traders from IRG areas need to use Saudi Riyals for transactions. Given this, greater demand for foreign currency relative to local currency is contributing to further currency depreciation in IRG areas of the governorate. Overall, on average across the governorate, the exchange rate has depreciated rapidly in recent months, driven by the trend in IRG-controlled areas of the governorate, according to [data from FAO](#). In September 2021, the exchange rate reached 1,110 YER/USD, on average, after the currency depreciated 13 percent relative to the previous month and 38 percent over the past year.

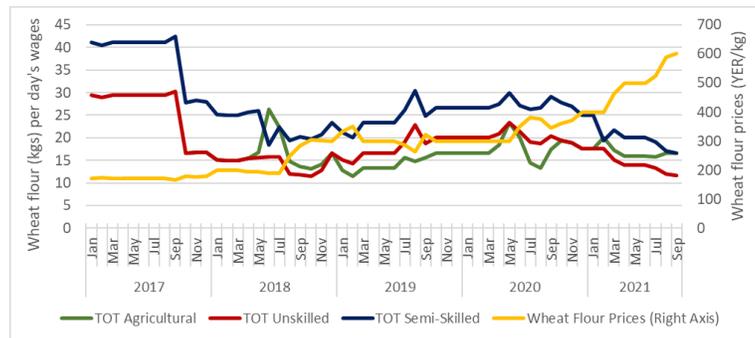
Fuel shortages and high prices have generally led to an increase in the costs of transportation, food processing, and agricultural inputs including water for irrigation. This has increased agricultural production and marketing costs, [reducing farmers' profits](#), including for water-intensive qat production. Unofficial prices of diesel and petrol rose by 12 and 13 percent, respectively, in September 2021, compared the previous month, to reach levels significantly higher—by 91 and 123 percent, respectively—compared to September 2020, according to [FAO](#) data. Unofficial prices of diesel and petrol in September 2021 were 367 and 348 percent higher, respectively, than pre-crisis levels.

The main harvest of cereals started in October and is ongoing. Production is expected to be similar to last year but below pre-conflict levels due to the decline in food crop production in favor of qat production and due to significantly above-average prices of agricultural inputs including fuel. Overall, own crop production has a very limited contribution to poor households' total annual food needs. As such, households depend heavily on markets to access food.

The main markets in Al Dhale'e are supplied largely from Aden (for areas under IRG control) and from Ibb (for areas under SBA control). Despite disruptions to trade corridors, food availability in markets is generally stable. However, food prices have increased, particularly in IRG-controlled areas of the governorate, driven primarily by rapid depreciation of the local currency. On average across the governorate, the monthly average cost of the MFB increased by 6 percent from August to September 2021 to reach 84,424 YER. This is 82 percent higher than in September 2020.

According to key informants, many households in both urban and rural areas earn monthly incomes less than the cost of the MFB. Due to insufficient revenue, government salaries have not been increased over the years despite inflation, with salaries currently being paid only around once every four months. Though wages have been generally increasing due to inflation, food

**Figure 7.** Prices of wheat flour (imported) and terms of trade (a proxy measure of purchasing power) for laborers in Al Dhale'e; defined as kilograms of wheat flour a laborer can buy from one day's wages; January 2017 to September 2021



Source: FEWS NET using data from FAO

prices have been increasing at a faster rate, with overall purchasing power declining since mid-2020 (Figure 7). At September 2021 wage rates and prices, to afford the monthly cost of the MFB, households earning income from unskilled labor must work for more than 12 full days and households earning income from agricultural labor must work for more than 8 full days each month, expected to be challenging due to low demand for labor given the continuous economic decline. As such, humanitarian assistance is an important source of income for many, regardless of wealth group, in both urban and rural areas.

Similar to other governorates, Al Dhale'e was impacted by COVID-19. However, the number of confirmed cases is much lower than in other governorates. According to the Ministry of Public Health and Population, 283 cumulative confirmed cases and 55 deaths were recorded as of October 31, 2021. Spread of COVID-19 alongside limited access to health services has likely negatively impacted food security for many poor households by adding extra expenditures, causing them to further reduce food expenditures, and to be at risk of losing household members due to inability to pay for health care services.

Humanitarian assistance has prevented the food security situation in Al Dhale'e from further alarming deterioration. According to data from FSAC, 247,624 individuals (around 32 percent of the population) were reached with emergency food assistance in August 2021, of whom 195,719 were assisted with cash transfers, 29,218 with in-kind assistance, and 22,687 with commodity vouchers. Not reached in August were beneficiaries in Damt, Al Husha, and Juban districts, where assistance distributions remain bi-monthly. During months when beneficiaries in SBA areas are reached, 45-50 percent of the governorate's population receives emergency food assistance. Additionally, in August 2021, 85,931 individuals were reached with emergency livelihoods assistance, though Damt, Al Husha, and Juban districts were not reached.

Seven years of conflict and economic decline have eroded households' assets and capacity to cope, making them more vulnerable to shocks and more reliant on assistance. Continuous increases in prices of basic food commodities have forced nearly all households to employ at least one livelihood coping strategy due to lack of food or money to buy food, such as purchasing food on credit. Many families are resorting to more extreme coping strategies and reducing the quality and/or quantity of the food they eat. According to WFP reporting, the percentage of households reporting inadequate food consumption increased slightly from January to September 2021. Crisis (IPC Phase 3) outcomes likely persist at the governorate level, with humanitarian assistance expected to be supporting Stressed! (IPC Phase 2!) and Crisis! (IPC Phase 3!) outcomes for many. In areas where conflict continues to damage livelihoods and interrupt delivery of humanitarian assistance—including in Damt, Al Husha, and Juban districts—a relatively higher share of the population are expected to face worse outcomes. According to key informants, displaced households are most likely to be unable to meet their essential food needs, followed by poor rural households.

According to WHO nutrition surveillance data, the prevalence of SAM among children under five, as measured by weight-for-height z-score, has remained generally stable at 6-8 percent from July to September 2021. The prevalence of MAM has remained generally stable at 17-21 percent.

### Assumptions

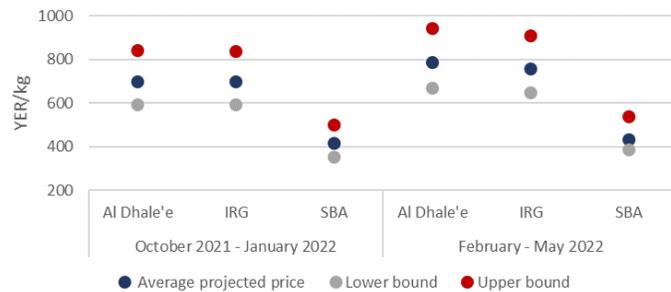
In addition to the national-level assumptions, projected outcomes for Al Dhale'e governorate are based on the following:

- Conflict is expected to continue at current high levels, similar to 2021 and lower than in previous recent years. Conflict intensity is expected to be highest in in Qa'atabah (Al Fakher junction) with sporadic armed clashes in Juban and Al Azariq. Conflict-driven displacement is expected to continue, with Qa'atabah worst affected.
- Harvesting of cereals will continue through November. Food crop production is expected to be similar to last year given favorable rainfall in the previous season, but below pre-crisis levels. Food stocks from the cereal harvest are expected to support households' consumption for the coming two to three months, after which time households will rely on market purchases.
- Increased supply of locally produced cereals from the ongoing harvest will likely result in slight seasonal price declines, though prices will remain higher than prices of imported cereals. Overall, food prices are expected to continue increasing due primarily to currency depreciation as well as due to rising fuel prices (Figure 8).
- Households will continue to access some income from labor and crop sales during the harvesting period. During the lean season in February/March, access to income from these sources will be at seasonally low levels, before increasing with the next harvest in April/May. Overall, demand for labor is expected to remain low due to continuous economic decline. However, some access to labor opportunities through the qat marketing value chain will likely be available

throughout the scenario period. Labor wages are expected to continue increasing, though even more rapid food price increases are expected to continue driving declining purchasing power.

- Delays in government salary payments are expected to continue, with income from this source expected to be well below average. Households in the military will likely be worst affected by delays in payments, while households in areas under IRG control will be worst affected by declining value of payments due to inflation.
- Humanitarian assistance programs are expected to continue. Prolonged disruption or access constraints are not expected.

**Figure 8.** Integrated price projections for wheat flour (imported) in Al Dhale'e and on average in IRG and SBA areas



Source: FEWS NET

*Most Likely Food Security Outcomes*

Many rural households will have improved access to food and income in the coming months due to the ongoing harvesting period. In the agricultural off-season through February/March, access to food and income will seasonally decline. Income related to qat production will also seasonally decrease during the winter. In rural areas impacted by conflict, farmers are expected to continue facing access constraints to their lands, limiting ability to access food and income.

Overall, conflict and limited access to income combined with anticipated further rapid price increases in IRG-controlled areas will likely continue to constrain poor households' ability to afford food throughout the projection period. In both rural and urban areas, daily wage earners and households dependent on government salaries will be worst affected by declining purchasing power. Displaced households are expected to continue facing most limited livelihood opportunities.

Overall, many poor households are expected to continue facing consumption gaps during the projection period, with Crisis (IPC Phase 3) outcomes expected to persist at the area level. Humanitarian assistance will continue preventing worse outcomes for many beneficiary households, though the value of assistance cash transfers—the most common modality in the governorate—is expected to decline throughout the projection period as food prices increase.

**Raymah Governorate**

*Current Situation*

Raymah is a landlocked, mountainous governorate in Yemen's central highland region, comprising [six districts](#). All territory is under SBA control. Agriculture and livestock rearing are the most important economic activities, including for poor and very poor households. Cash crops—especially qat—and livestock are sold locally and transported to large regional trading centers (Sana'a or Al Hudaydah), whereas sorghum is mostly sold locally. Access to many areas is restricted due to the challenging terrain, including in the districts of Kusmah, Al Jafariyah, and As Salafiyah. According to [OCHA reporting](#) in July 2021, humanitarian partners have been relatively less present in these districts, and coverage gaps—including for essential health and nutrition services—are generally higher overall in Raymah than in other governorates.

Though Raymah is not directly impacted by active conflict, deteriorating economic conditions due to protracted conflict in the country continue to negatively impact food security for households in the governorate. Additionally, according to the 2021 HNO, Raymah is home to around 58,000 displaced households (around 10 percent of the governorate's population), likely largely displaced from neighboring governorates.

The main cereal harvest started in October and is ongoing alongside the peak of fruit and vegetable harvesting. Qat production is available year-round, with peak harvesting months from June to December. Crop production is expected to be similar to last year due to positive rainfall anomalies over the last three months. The peak demand months for agricultural and non-agricultural labor are April/May and September to November, during which households can access income from land

preparation, planting, and harvesting of cereals, fruits and vegetables, and qat. For the poorest households, own production contributes a small portion of annual consumption needs, due to smaller cultivated land plots and rising costs of production inputs including fuel. In addition to rising fuel prices over the years, the current period of fuel shortages across SBA-controlled areas has further increased the costs of transportation and irrigation, particularly for poor agricultural households in remote rural villages.

Unlike in other parts of Yemen, locally produced cereals are generally cheaper than their imported equivalents, due to high transportation costs and access constraints, increasing prices of imported commodities and resulting in most locally produced cereals being sold locally. However, imported wheat flour remains cheaper than locally produced wheat, and this is the main staple for many households. Raymah’s markets are supplied from imports through Yemen’s Red Sea ports via main markets in Al Hudaydah and from larger regional trading centers including Sana’a.

In Raymah, the exchange rate has remained generally stable according to [data from FAO](#), following the same trend as in other SBA areas. However, rising costs of fuel over the years as well as significant volatility in fuel prices have contributed to food price increases, particularly given Raymah’s difficult terrain. Additionally, fluctuations in market supply due to access constraints contribute to a high degree of volatility in food prices.

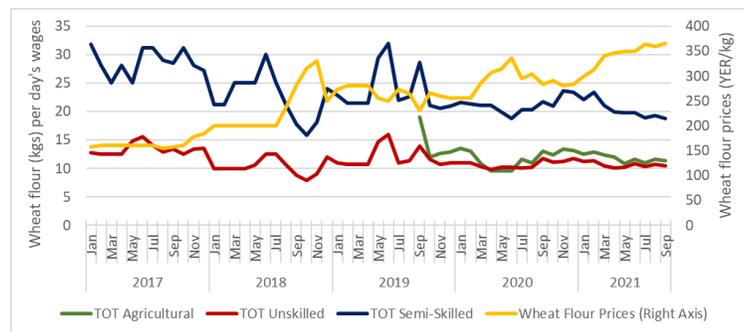
According to data from FAO, the cost of the MFB remained generally stable (increased by 3 percent) from August to September 2021 to reach 42,652 YER/month at the governorate level. However, this cost is 26 percent higher than in September 2020. Across the five markets in Raymah monitored by FAO, prices are consistently higher and more volatile in the urban Rabo Bin Howli market (Bilad At Ta’am district), and the rural Al Rabat market (Al Jabin district). In contrast, prices are typically lower in the rural Al Hadabah market (Al Jafariyah district) and the rural Al Ahad (Mazhar district), likely due to proximity to the main supply market of Al Hudaydah. It should be noted that households living in remote mountainous villages in the east and south need to travel longer distances to access markets.

Though labor wages have been generally increasing over the years, purchasing power has been declining. Since late 2019, wages have been increasing at a relatively consistent rate, but rapidly rising food prices have outpaced wage increases, with purchasing power declining overall (Figure 9). At September 2021 prices and wage rates, an unskilled laborer would need to work for 11 full days to cover the monthly cost of the MFB. This is one additional day compared to the same time last year. However, households’ ability to expand income-earning is expected to be highly limited due to low demand for labor in an economy crippled by years of conflict.

Humanitarian assistance has become a key source of food for many households in Raymah. For more than a year from April 2020 to June 2021, beneficiary households in Raymah were reached with emergency food assistance only once every two months. However, since June 2021, partners have resumed monthly distributions. Overall, from June to August 2021, 26-30 percent of the population were reached with assistance monthly. Despite this, coverage may be low relative to needs, as around half of the governorate’s population is included in FSAC’s official monthly target. Districts with the greatest gaps in coverage relative to targets are the hard-to-reach districts of As Salafiyah and Kusmah. According to data from the 2020 Food Security and Livelihoods Assessment, a relatively higher proportion of the population (over 20 percent) are dependent on humanitarian assistance as a main source of income in Mazhar and Kusmah districts.

Years of economic downturn, reduced access to income, rising prices, and shocks including insufficient rainfall and flooding have eroded households’ assets and coping capacity. Additionally, access constraints and high transportation costs make it difficult for many households to access essential services and contribute to delays and disruptions to assistance delivery. According to WFP reporting, the percentage of households reporting [inadequate food consumption](#) increased slightly from January to September 2021, despite assistance scale-up since June 2021. Given limited ability to cope with declining purchasing power, many poor households are likely resorting to strategies such as reducing the number of meals they consume, with

**Figure 9.** Prices of wheat flour (imported) and terms of trade (a proxy measure of purchasing power) for laborers in Raymah; defined as kilograms of wheat flour a laborer can buy from one day’s wages; January 2017 to September 2021



Source: FEWS NET using data from FAO

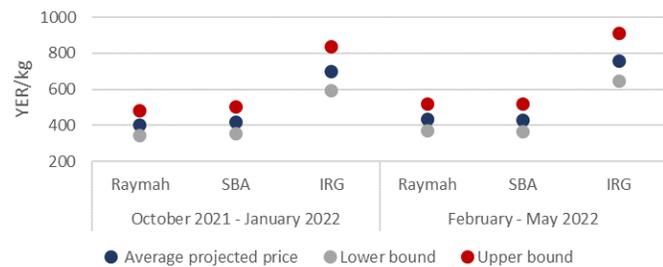
consumption gaps expected. Crisis (IPC Phase 3) outcomes likely persist at the area level, with humanitarian assistance supporting Crisis! (IPC Phase 3!) outcomes for many beneficiaries. Worst-affected households—including households in hard-to-reach areas who do not receive frequent assistance—likely facing Emergency (IPC Phase 4) outcomes.

*Assumptions*

In addition to the national-level assumptions, projected outcomes for Raymah governorate are based on the following:

- Food prices are expected to continue increasing due to rising fuel prices and disruptions to fuel supply across SBA areas (Figure 10).
- Harvesting of cereals will continue through November. Peak harvesting of fruits and vegetables will continue through December. Food crop production is expected to be similar to last year given favorable rainfall in the previous season, but below pre-crisis levels. Food stocks from the cereal harvest are expected to support households' consumption for the coming two to three months, after which time households will rely on market purchases.

**Figure 10.** Integrated price projections for wheat flour (imported) in Raymah and on average in IRG and SBA areas



Source: FEWS NET

- Households will continue to access some income from labor and crop sales during the harvesting period through December/January. During the lean season in February/March, access to income from these sources will be at seasonally low levels, before increasing with the next harvest in April/May. Overall, demand for labor is expected to remain low due to continuous economic decline. However, some access to opportunities through the qat marketing value chain will likely be available throughout the scenario period. Labor wages are expected to continue increasing, though even more rapid food price increases are expected to continue driving declining purchasing power. Income from these sources are expected to remain below pre-crisis levels.
- Delays in government salary payments are expected to continue, with income from this source expected to be well below average.
- Humanitarian assistance programs are expected to continue, though with delays and disruptions due to access constraints expected.

*Most Likely Food Security Outcomes*

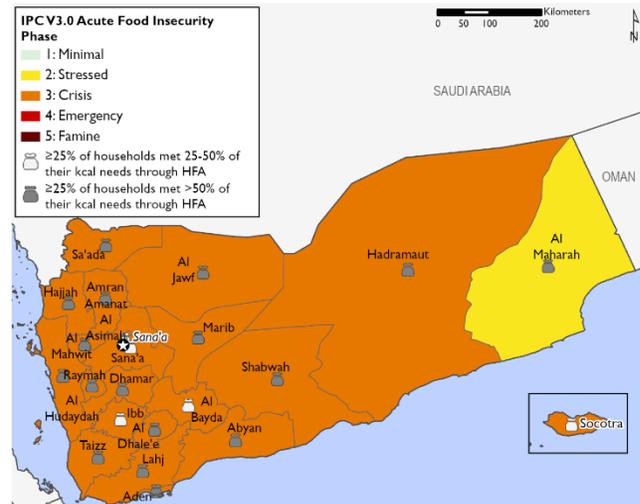
Access to food and income for rural households is expected to remain at seasonally high levels through December/January given the peak of the harvesting season. Following this, during the local lean season in February/March, access to food from own production and income from labor will likely be constrained, particularly for agricultural households due to limited opportunities during the agricultural off-season. In April and May 2022, coinciding with fruit and vegetable harvest months, availability of food and income will again seasonally improve.

Overall, rising prices of food, fuel, and living expenses are expected to further constrain households' resources throughout the projection period, as most households are expected to be unable to expand income-earning to compensate. Poor households will likely continue to employ more severe livelihood and food-based coping strategies, with an increased number expected to face Crisis (IPC Phase 3), Crisis! (IPC Phase 3!), or worse outcomes during the lean season when access to food and income is low. Households in hard-to-reach areas—including in As Salafiyah, Al Jafariyah and Kusmah districts—will likely continue to face worse consumption gaps due to volatility in market supply and prices as well as lower access to assistance, with Emergency (IPC Phase 4) outcomes expected for the worst-affected.

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

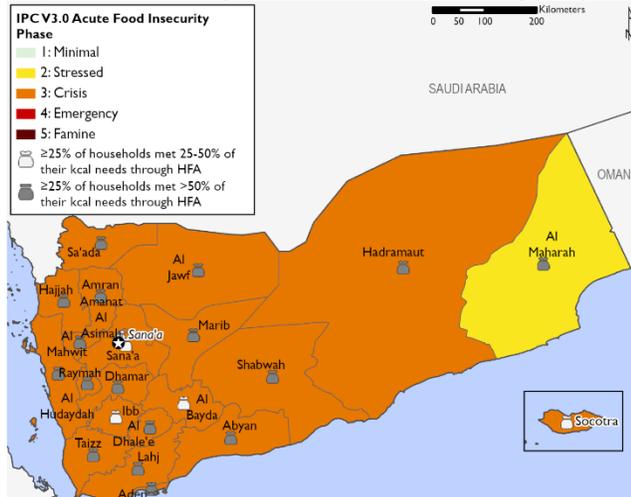
Each of these maps adheres to IPC v3.0 humanitarian assistance mapping protocols and flags where significant levels of humanitarian assistance are being/are expected to be provided. 🏠 indicates that at least 25 percent of households receive on average 25–50 percent of caloric needs from humanitarian 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.

Current, October 2021



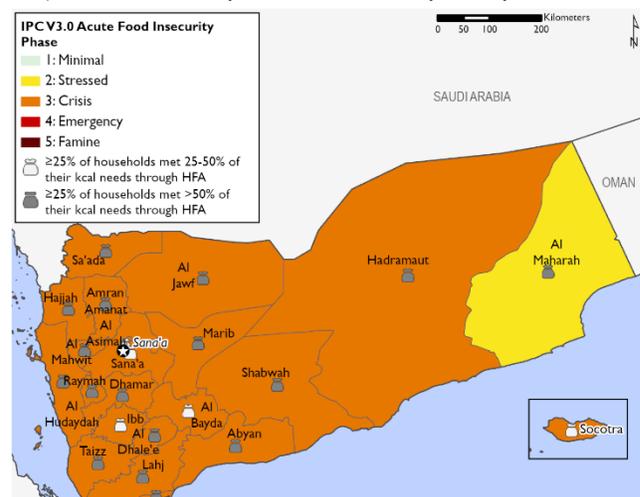
Source: FEWS NET

Projected food security outcomes, October 2021 to January 2022



Source: FEWS NET

Projected food security outcomes, February to May 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.

FEWS NET. Yemen Food Security Outlook, October 2021 to May 2022. Households in Marib at risk of assistance disruptions due to conflict, with IDPs most vulnerable. October, 2021.

**ABOUT SCENARIO DEVELOPMENT**

To project food security outcomes, FEWS NET develops a set of assumptions about likely events, their effects, and the probable responses of various actors. FEWS NET analyzes these assumptions in the context of current conditions and local livelihoods to arrive at a most likely scenario for the coming eight months. [Learn more here.](#)