

## Highlights of 2021

- Conflict:** The escalation of hostilities continued during 2021 and armed conflict intensified in Ma'rib, Al Jawf, Al Bayda, Shabwah, Ta'iz and Al Hodeidah governorates.
- Exchange rate:** The Yemeni riyal weakened in areas under IRG and slid to an all-time low of YER 1,654/USD 1 at end of November, by then the riyal had lost more than half of its recorded value at the beginning of the year. In December, the riyal saw an abrupt appreciation by 91 percent, and reached YER 865/USD 1 at end of the year.
- Fuel imports:** Total imports of fuel through Al Hodeidah and Saleef ports decreased by 69 percent in 2021, compared to 2020.
- Fuel prices:** The pump price of petrol and diesel doubled during 2021 in areas under IRG, compared to 88 percent increase in prices of petrol and 65 percent increase in prices of diesel in areas under Sana'a-based authorities.
- Food imports:** The volume of annual food imports through Al Hodeidah and Saleef ports during 2021 remained the same as 2020, while food imports through Aden port increased in 2021 by 66 percent from the year before.
- Global food prices:** The global FAO Food-Price Index reached a 10-year high in December 2021, recording its highest levels since 2011.
- Humanitarian food assistance:** In late December, WFP announced reduced rations due to severe funding shortfalls, affecting eight million people as of January 2022.
- Minimum food basket in areas under IRG:** The cost of MFB increased by 119 percent during 2021 and reached an all-time high of YER 18,654 in the first week of December.
- Minimum food basket in areas under Sana'a-based authorities:** The cost of MFB increased by 41 percent in 2021 and reached an all-time high of YER 7,698 in December.
- Nearly half of the interviewed households reported inadequate food consumption in December 2021**, marking an increase of 24 percent compared to January 2021. At the same time, the share of households with severe food consumption gaps increased by 54 percent in 2021, particularly towards the end of the year, with one in every five Yemeni households reporting "poor food consumption".
- The frequent and severe levels of adoption of negative coping strategies** is rampant in Yemen. Throughout 2021, nearly nine out of every ten households applied at least one food-based coping mechanism to deal with insufficient access to food.

### A. Key drivers of food insecurity during 2021

The number of people who were unable to meet their minimum food needs reached critically high levels in 2021 - the highest levels seen in Yemen since 2018 - with a noticeable deterioration during the second half of the year. A number of intertwined factors have contributed to this increase the currency and fuel crises reached unprecedented levels; conflict intensified; and global prices peaked to their highest levels in the last 10 years. Meanwhile, despite increased funding for the Yemen humanitarian response in 2021, the levels of humanitarian food assistance provided still came short of the population's total needs.

- Conflict:** Hostilities escalated in Yemen during 2021, with 2,771 battles and 4,088 incidents of explosions/remote violence were recorded over the past year<sup>1</sup>. At least 86 conflict incidents reportedly obstructed access of humanitarian aid and life-saving assistance, in addition to around 20 incidents that caused damage to the health care system<sup>2,3</sup>.

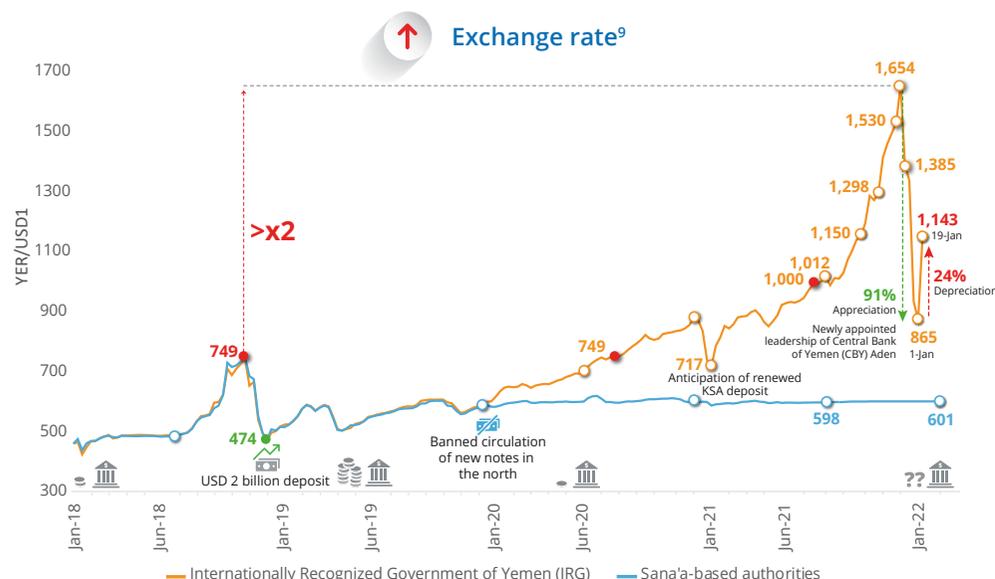
Armed conflict intensified in Ma'rib, Al Jawf, Al Bayda, Shabwah, Ta'iz and Al Hodeidah governorates, with continued clashes in Hajjah and Ad Dali'. Conflict largely contributed to increased food insecurity in these governorates. According to IOM, 153,546 people were reportedly displaced throughout 2021, with nearly half of them displaced in / to Ma'rib

Governorate. It is worth noting that Yemen is the fourth largest displacement crisis in the world<sup>4</sup>.

The economic dimension of conflict heightened in 2021; the Internationally Recognized Government (IRG) imposed an embargo on fuel ships entering through the port of Hodeida since June 2020<sup>5</sup>, while Sana'a-based authorities continued to ban the use of newly printed currency notes in areas under their control. The resulting fuel and currency crises form part of the economic battle that has compounded Yemen's humanitarian crisis.<sup>6</sup>

- Exchange rate:** The protracted conflict's most visible effect economic aspects is the growing divergence in the riyal's value in different parts of Yemen, which has in turn affected the price of basic goods and contributed to the overall increase in living costs.<sup>7</sup>

The Yemeni riyal continued to weaken throughout 2021 in areas under control of the IRG. The exchange rate crossed the threshold of YER1,000/USD1 in July and slid to an all-time low of YER 1,654/USD 1 at end of November, by then the riyal had lost more than half of its recorded value at the beginning of the year. The steep depreciation of the riyal - particularly during the second half of 2021- contributed to the accelerated inflation in prices, especially of food and fuel prices which soared to unprecedented levels.



In December, the exchange rate appreciated by 91 percent and reached YER 865/USD 1 by the end of the month. The sudden -and brief- currency appreciation was spurred by the appointment of a new board of directors for the Central Bank (CBY) in Aden, and followed two months of open currency auctions<sup>8</sup>, which partially eased the pressure on the riyal. Nonetheless, by mid-January 2022, the riyal had depreciated back to YER 1,143/USD 1.

<sup>1</sup> The Armed Conflict Location & Event Data Project (ACLED): <https://acleddata.com/dashboard/#/dashboard>

<sup>2</sup> Mwatana for Human Rights: <https://reliefweb.int/report/yemen/new-year-added-age-bloody-conflict-press-briefing-situation-human-rights-yemen-2021>

<sup>3</sup> As per the Health cluster bulletin, 20.1 million people in Yemen are estimated to be in need of health assistance and only half of all medical care facilities are fully functional: [https://reliefweb.int/sites/reliefweb.int/files/resources/yemen\\_health\\_cluster\\_bulletin\\_-\\_july\\_august\\_2021\\_1.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/yemen_health_cluster_bulletin_-_july_august_2021_1.pdf)

<sup>4</sup> OCHA Yemen: <https://reports.unocha.org/en/country/yemen/card/4C8PObZqXF/>

<sup>5</sup> ACAPS: [https://reliefweb.int/sites/reliefweb.int/files/resources/20210817\\_acaps\\_yah\\_thematic\\_report\\_impacts\\_of\\_fuel\\_supply\\_dynamics\\_0.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/20210817_acaps_yah_thematic_report_impacts_of_fuel_supply_dynamics_0.pdf)

<sup>6</sup> International Crisis Group, "Brokering a Ceasefire in Yemen's Economic Conflict Middle East", January 2022

<sup>7</sup> Yemen Food Security Update, FEWSNET, December 2021.

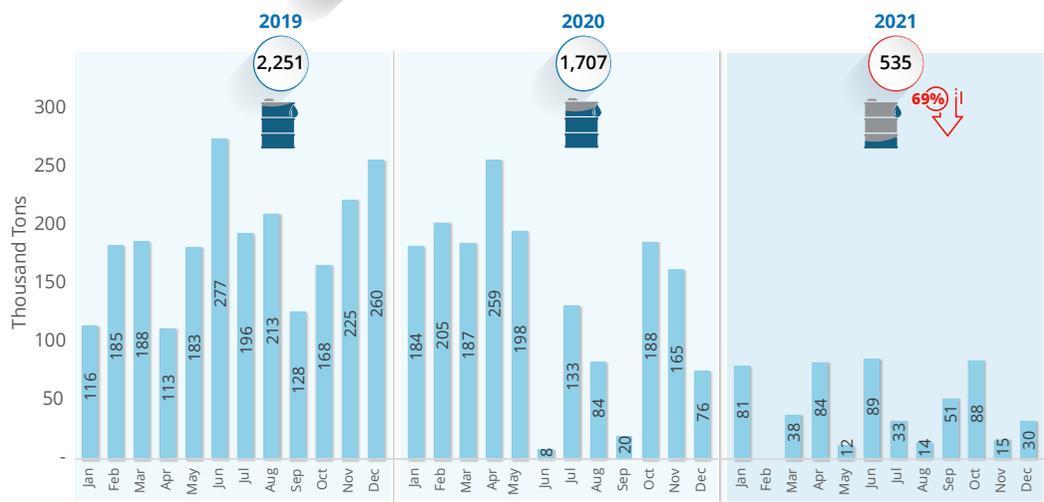
<sup>8</sup> Source: WFP price monitoring

The currency market remains highly speculative and volatile and the ability of the Central Bank to curb the speculative attacks on the riyal is tied back by insufficient foreign currency reserves. While the IMF had allocated a total of USD 665 million worth of foreign currency reserves to Yemen (which CBY Aden confirmed receiving in August 2021), the allocated foreign currency reserves are in the form of Special Drawing Rights (SDRs) that must be exchanged for hard currency. Should exchange of SDRs be implemented, or significant foreign currency inflows are realized, the pressure on the riyal will be alleviated.

On the other hand, the riyal was stable in areas under control of Sana'a-based authorities, at around YER 600/USD; almost the same rate since January 2020. Authorities in Sana'a continued to implement various measures to control the exchange rate, including the ban on circulation of the new banknotes printed by CBY Aden since December 2019 and the imposed restrictions on the transfer of foreign currency to areas outside the control of Sana'a-based authorities. In addition, the Payments Committee established within CBY Sana'a continues to oversee demand and supply of foreign exchange in the northern governorates to avoid volatility of the exchange rate<sup>10</sup>.

• **Fuel imports:** The fuel crisis in 2021 is the worst Yemen has seen so far.<sup>11</sup> The crisis was triggered in June 2020, following the suspension of fuel imports through Al Hodeidah port and permitting only limited and occasional imports via this route. The imposed embargo resulted in critical shortages of fuel, especially that more than half of Yemen's fuel imports were imported through Al Hodeidah port in the previous years.<sup>12</sup>

↓ Fuel imports through Red Sea ports



Total fuel imports via Al Hodeidah and Saleef in 2021 were 69 percent less than fuel imports in 2020 (UNVIM, 2021).<sup>13</sup> It is noteworthy that of most of the official stations in areas under control of Sana'a-based authorities reportedly closed by the end of December, due to shortages in fuel supply.

On the other hand, fuel imports through the southern ports of Aden and Mukalla increased in 2021, especially during May and June 2021, after the arrival of the Saudi fuel grant worth USD 422 million that aimed at alleviating electricity shortages in areas under IRG<sup>14</sup>. In 2021, total fuel imports via Aden and Mukalla increased by 35 percent from the level recorded for both ports in 2020, and by 70 percent compared to 2019.

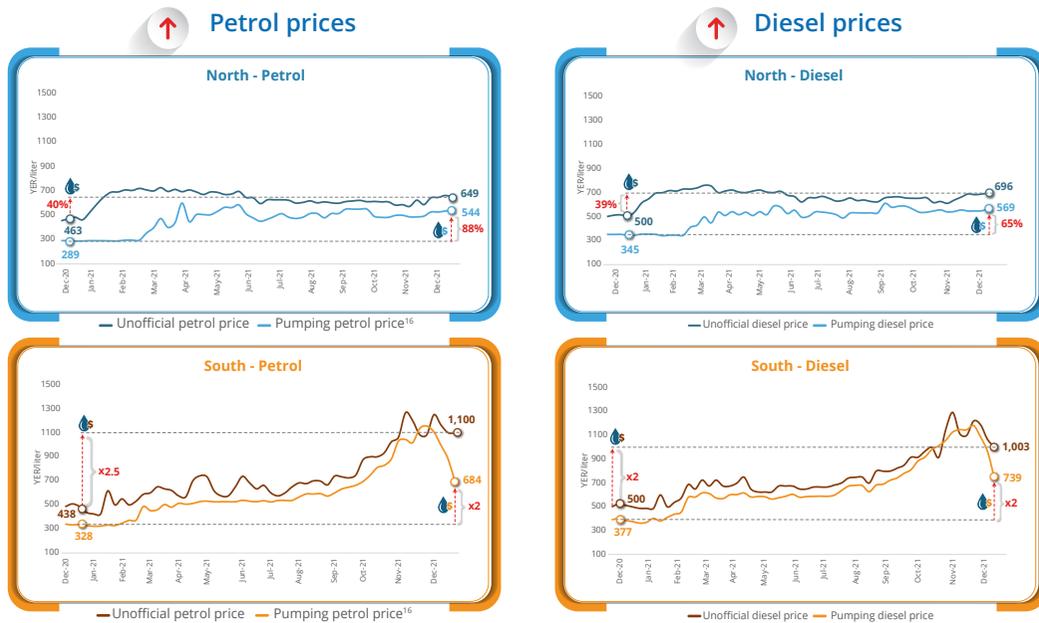
• **Fuel prices:** Shortages in fuel supply were combined with the increase in global crude oil prices (53 percent increase in 2021), which reached a three-year high during 2021.<sup>15</sup> The increase in global prices of oil and the depreciation of the riyal combined with shortages in fuel supply, "had a significant impact on fuel prices in Yemen.

In areas under control of IRG, the average pump prices of petrol<sup>16</sup> doubled during 2021, and peaked at YER 1,267/litre in mid-November. At the same time, petrol prices increased by one-and-a-half times in the black-market, widening the gap between the pump and black-market prices to 60 percent at the end of the year. A similar trend was also observed for diesel prices, which doubled in 2021.

In areas under Sana'a-based authorities, the average pump price of petrol increased by close to 90 percent over 2021, while black-market prices increased by 40 percent. Moreover, between December and January 2021, the pump price of diesel increased by 65 percent, while black-market prices increased by 39 percent.

Various factors contributed to the increase in nominal (YER) fuel prices in Yemen; in areas under IRG, petrol pump prices were mainly driven by the depreciation of Yemeni riyal against US Dollar, as well as the increase in global prices of petrol. In areas under Sana'a-based authorities, petrol pump prices were driven by the increase in global petrol prices, market supply shocks, rising shipping costs and demurrage fees imposed on coalition-held vessels, along with double taxation and transportation costs for the growing volume of fuel that first enters government controlled areas and is later transported to areas under control of Sana'a-based authorities overland (International Crisis Group, January 2022).

The limited availability of fuel -especially in the north- has led to large queues at gas stations which were often empty for days. Furthermore, the increase in fuel prices imposed additional pressures on the prices of food, water, and other essential goods and services.



<sup>10</sup> Sana'a center for strategic studies: <https://sanaacenter.org/publications/analysis/11562>

<sup>11</sup> Save the children: <https://reliefweb.int/report/yemen/yemen-fuel-crisis-pushes-sickest-children-brink>

<sup>12</sup> OCHA Humanitarian response plan in 2021: [https://reliefweb.int/sites/reliefweb.int/files/resources/yemen\\_PMR\\_MidYear\\_2021\\_final.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/yemen_PMR_MidYear_2021_final.pdf)

<sup>13</sup> The United Nations Verification and Inspection Mechanism for Yemen (UNVIM): <https://www.unvime.org/>

<sup>14</sup> ACAPS Yemen: [https://www.acaps.org/sites/acaps/files/products/files/20210817\\_acaps\\_yemen\\_analysis\\_hub\\_fuel\\_prices\\_0\\_0.pdf](https://www.acaps.org/sites/acaps/files/products/files/20210817_acaps_yemen_analysis_hub_fuel_prices_0_0.pdf)

<sup>15</sup> Global crude oil prices: <https://www.eia.gov/todayinenergy/detail.php?id=50738>

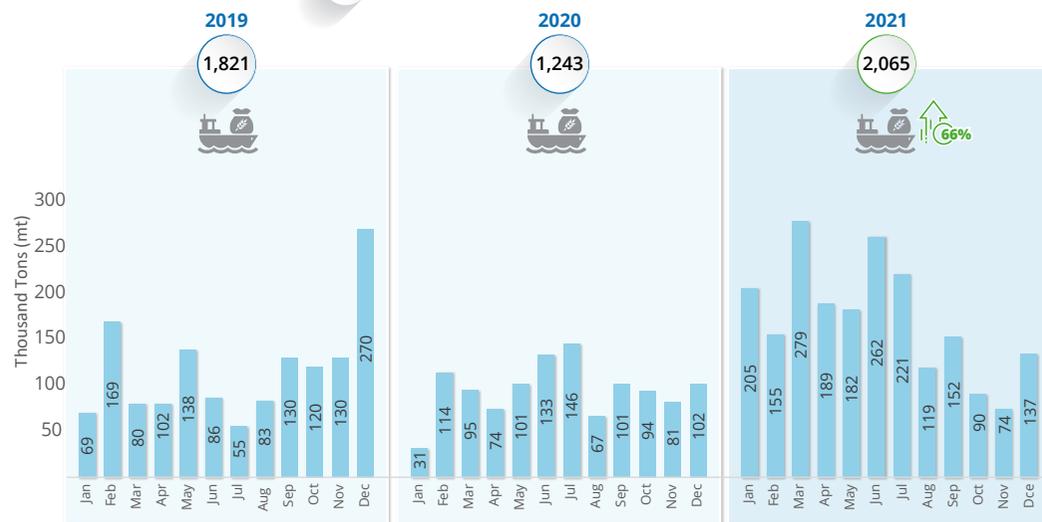
<sup>16</sup> Pumping fuel price: the average of official price and commercial price of fuel sold through the gas stations

• **Food imports:** Food imports are lifeline for Yemen, which relies on imports for 90 percent of its total food supply. The total volume of food imports discharged via Al Hodeidah and Saleef during 2021 (3,701 thousand mt) stabilized compared to 2020<sup>17</sup>. Whereas the volume of food imports through Aden port during 2021 (2,065 thousand mt) increased by 66 percent compared to 2020. Overall, essential food items were available in markets, throughout 2021.

Food imports through Red Sea ports



Food imports through Aden Port



• **Global food prices:** Global food prices increased in 2021 and reached their highest level in a decade. In December 2021 the global FAO Food Price Index had increased by 23 percent compared to December 2020.<sup>18</sup> The pass-through to local prices contributed to the increased cost of essential food items in areas under control of IRG, as well as areas under control of Sana'a-based authorities. The significant increase in global food prices was mainly driven by soaring prices of fertilizers and fuel as well as inflation in the feed sector, rather than reduced production.<sup>19</sup> Global prices of fertilizers have risen throughout 2021, and reached all-time highs<sup>20</sup>, affecting both global producers and subsistence farmers.

Global food price index (FPI)



• **The volume of humanitarian food assistance:** in 2021, 16.2 million people were assessed to be food insecure and 47,000 living in famine-like conditions. In order to address the immense humanitarian needs in Yemen, WFP targeted the provision of general food assistance to 13 million people nationwide.

During 2020 and the first half of 2021, on a monthly basis, WFP planned to provide full-rations assistance to four million of the most food insecure population, in addition to nine million people every two months. In June 2021, the number of people planned to receive monthly food assistance increased to around 10 million of the most food insecure population, while an additional three million people were planned to receive full rations once every two months.

In December 2021, WFP announced cuts in planned assistance due to severe funding shortfalls<sup>21</sup>. Since December 2021, eight million people were targeted with monthly reduced rations, while five million people living in areas of highest concern were targeted for monthly food assistance with full rations. These cuts are likely to have a negative impact on the already fragile food security situation, further adding to the looming hunger catastrophe across the country.

<sup>17</sup> The United Nations Verification and Inspection Mechanism for Yemen (UNVIM): <https://www.vimye.org/>

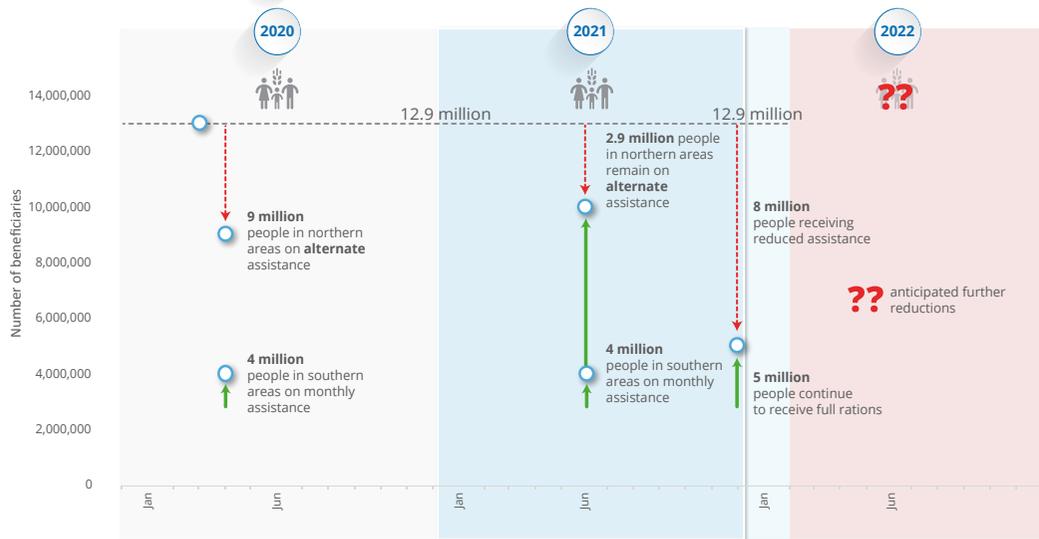
<sup>18</sup> FAO food price index: <https://www.fao.org/worldfoodsituation/foodpricesindex/en/>

<sup>19</sup> Food Price Index hit record high in February, UN agency reports | UN News <https://news.un.org/en/story/2022/03/1113332>

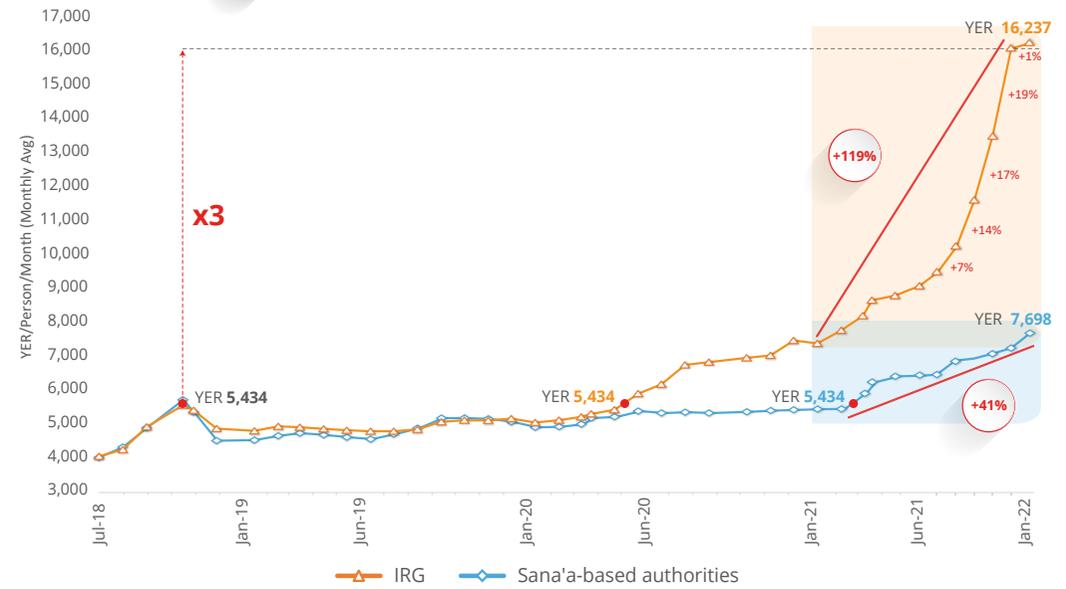
<sup>20</sup> The global fertilizer market: <https://www.fao.org/3/ni280en/ni280en.pdf>

<sup>21</sup> WFP forced to cut food assistance in Yemen: <https://www.wfp.org/news/wfp-forced-cut-food-assistance-yemen-warns-impact-hunger-rises>

### Levels of humanitarian food assistance



### The cost of the minimum food basket (MFB)



## B. The cost of the minimum food basket

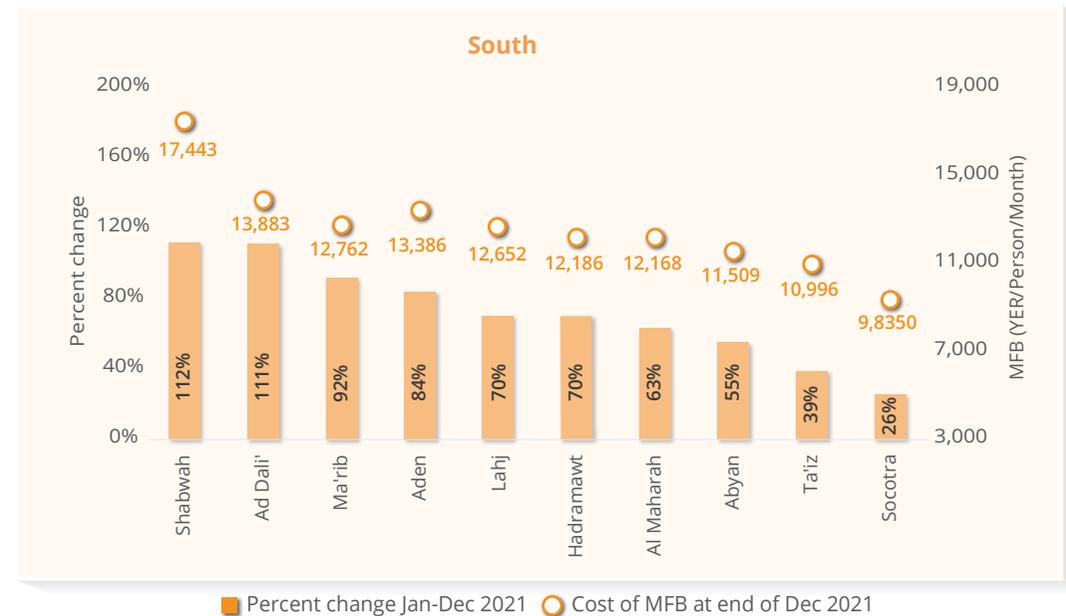
**Minimum Food Basket (MFB) in areas under control of IRG:** The cost of the minimum food basket (MFB) in areas under IRG<sup>22</sup> increased by 119 percent during 2021, reaching another all-time high of YER 18,654 during the first week of December. Nonetheless, the cost of MFB decreased to YER 16,237 during the last three weeks of December, following the appreciation of the exchange rate in the south. The cost of MFB at end of 2021 was seven times higher than the pre-crisis level in Yemen.

The unprecedented increase in the cost of the MFB during 2021 in the south was driven by the depreciation of the riyal, as well as the persistent increase in global food prices during 2021. Fuel prices had an additional inflationary pressure on prices, especially during the second half of the year. The sharp and cumulative increase in food prices raises concerns over households purchasing capacity in the south; around 40 percent of households interviewed for mVAM in the south reported the increase in food prices as the principal shock preventing them from having adequate food consumption.

**Minimum Food Basket (MFB) in areas under control of Sana'a-based authorities:** The cost of MFB also increased in areas under Sana'a-based authorities, particularly from March 2021 onwards. By end of 2021, the cost of MFB had reached YER 7,698 per person per month; an increase of 41 percent compared to January 2021. The cost of MFB reached an all-time-high in the north; three times its pre-crisis level. The increase in the cost of MFB during 2021 was driven by various factors, including the rise in global food prices and the intensified fuel crisis in the north.

At the governorate level, the largest increase in the cost of MFB was observed in Amran (73 percent), Sana'a City (59 percent) and Ibb (55 percent).

### The cost of the minimum food basket (MFB) in December 2021, by governorate



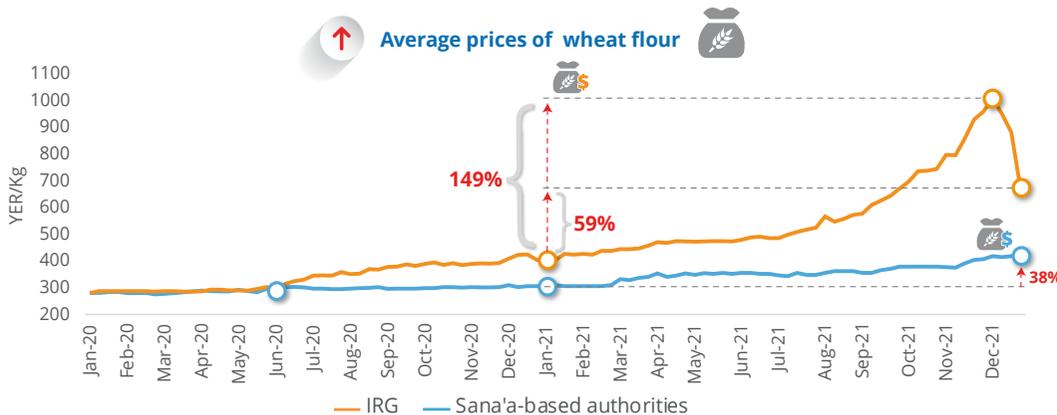
<sup>22</sup> Average monthly cost of the MFB/Person/Month.

The cost of the minimum food basket (MFB) in December 2021, by governorate

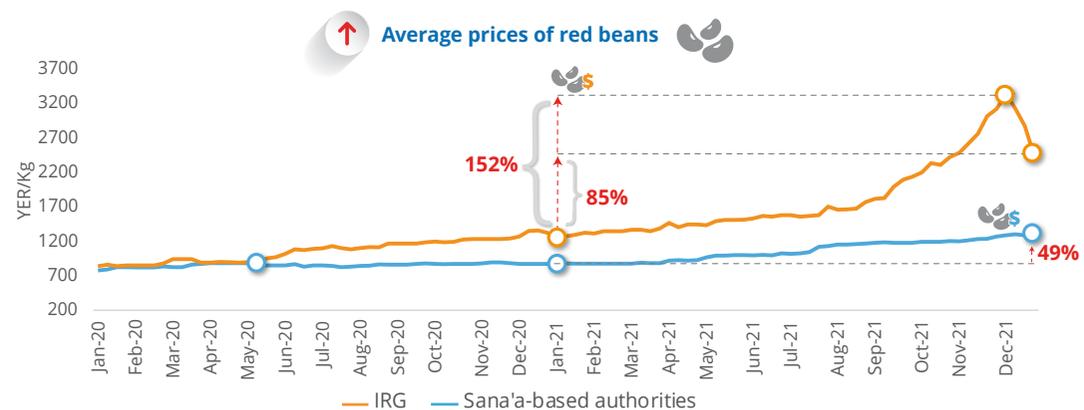
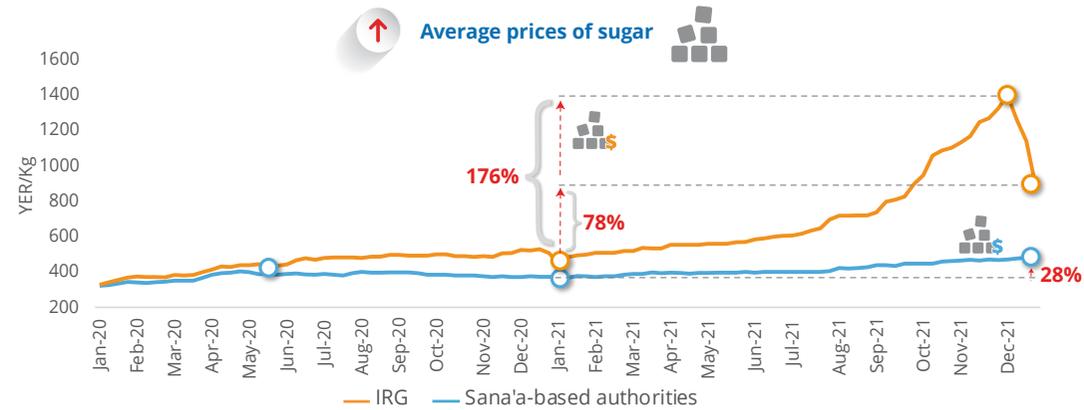
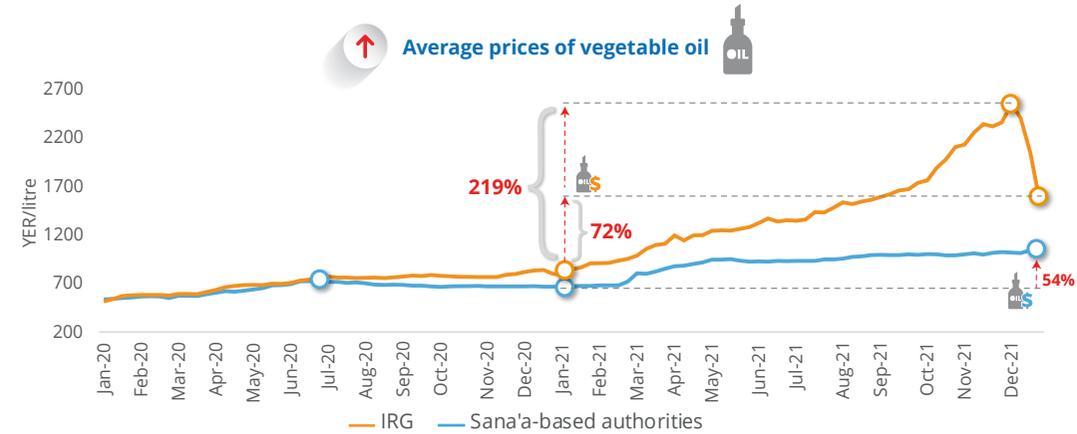


• **Prices of essential food items:** Prices of essential food items increased across Yemen during 2021 compared to previous years. The price of wheat flour – the principal staple food for Yemenis – increased by 149 percent since the beginning of 2021 and until the first week of December, recording an all-time-high of YER 1,008/kg in areas under control of IRG. It is worth noting that wheat flour prices decreased during the last three weeks of December, following the appreciation of the riyal in the south. Similarly, wheat flour prices reached an all-time high in areas under control of Sana'a-based authorities (YER 421/kg) by end of 2021, marking an increase of 38 percent from end of December 2020.

A similar upward trend was also observed across IRG areas for the prices of vegetable oil, red beans and sugar which increased by 219, 152 and 176 percent, respectively, between the beginning of



2021 and until the first week of December, prices then witnessed a decrease towards the end of year. Meanwhile, the prices of vegetable oil, red beans and sugar increased in areas under the control of Sana'a-based authorities by 54 percent, 49 percent and 28 percent, respectively in 2021.



### C. Household Access to Food<sup>23</sup>

The number of people who are unable to meet their food needs increased in Yemen during 2021; a consequence of intertwined shocks including the escalation of the protracted conflict, the collapse of the Yemeni riyal, the intensified fuel crisis and the global and local increase in food and energy prices.

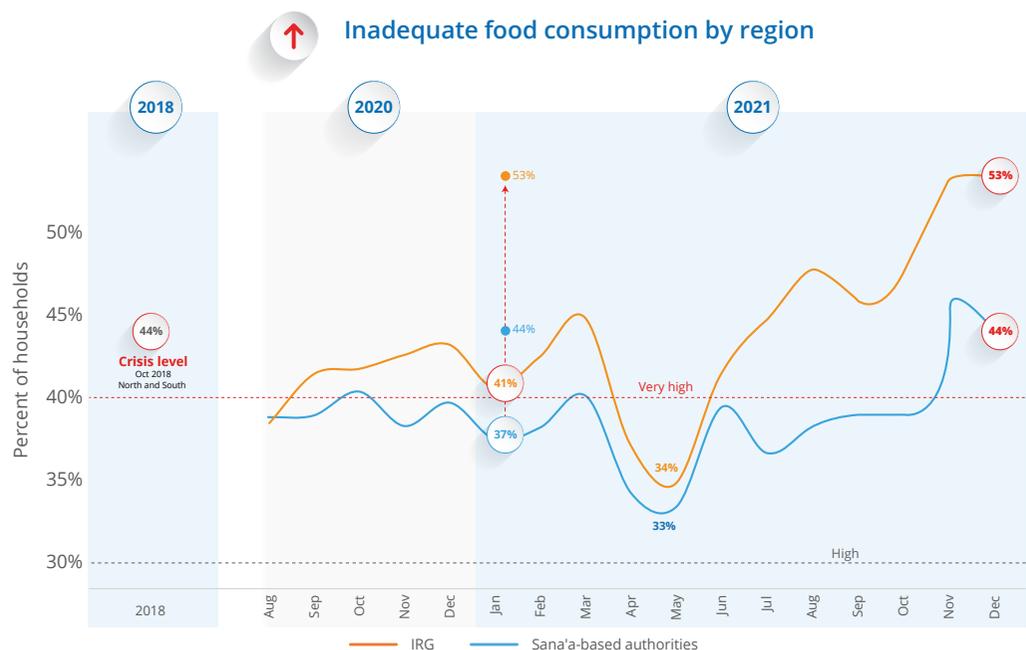
During 2021, the effects of these severe drivers of food insecurity were to some extent mitigated by donor support during the second half of the year, which allowed humanitarian food assistance to be resumed on monthly basis for 10 million people. However, the factors mentioned above out-weighed the impact of resumed food assistance, thus food insecurity worsened still during the second half of 2021, particularly during the fourth quarter of the year.

#### Inadequate food consumption

The proportion of households lacking access to adequate food increased during 2021, with the worst level recorded in November and December. By the end of the year, nearly half of the interviewed households reported inadequate food consumption (47 percent), marking an increase of 24 percent compared to January 2021.

As expected, the prevalence of inadequate food consumption amongst households decreased temporarily during Ramadan (April/May 2021) to 33 percent, nevertheless, it remained higher than the prevalent rates during the period in 2020.

According to WFP mVAM data, food insecurity was notably higher in areas under IRG, where 53 percent of the interviewed households reported inadequate food consumption during December 2021, compared to 44 percent in areas under Sana'a-based authorities. Monthly monitoring results indicate that the level of inadequate food consumption increased by 29 percent in southern areas and by 19 percent in northern areas during 2021, both depicting a notable rise during the last quarter of the year.

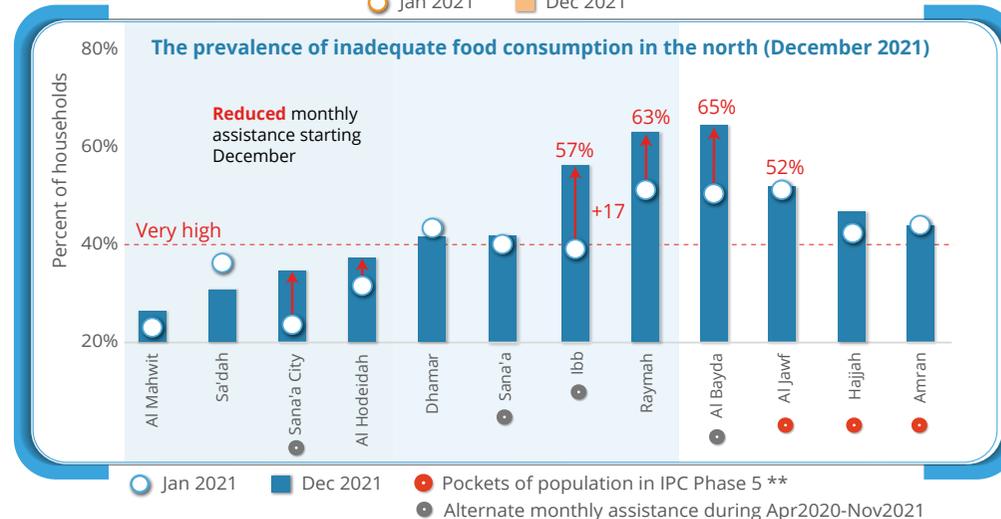
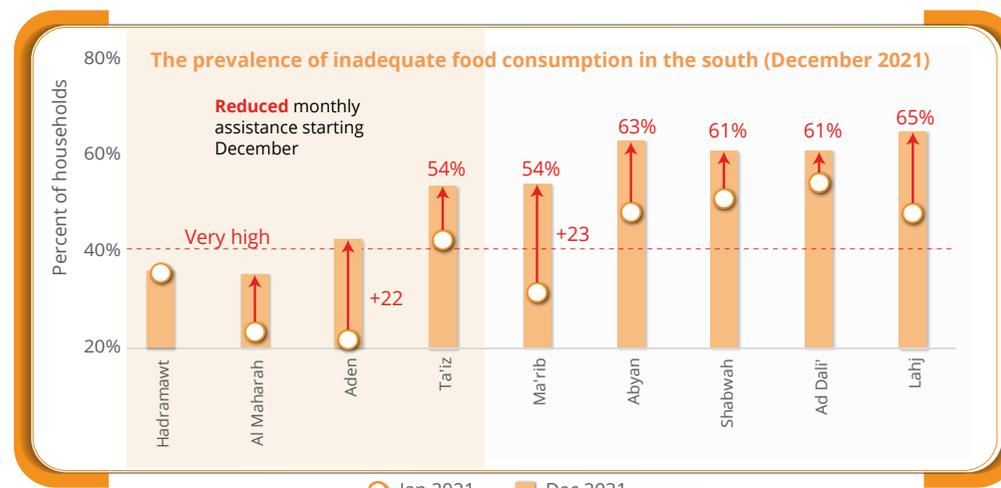


<sup>23</sup> Data source: WFP Yemen mVAM  
\*\*IPC issued in December 2020

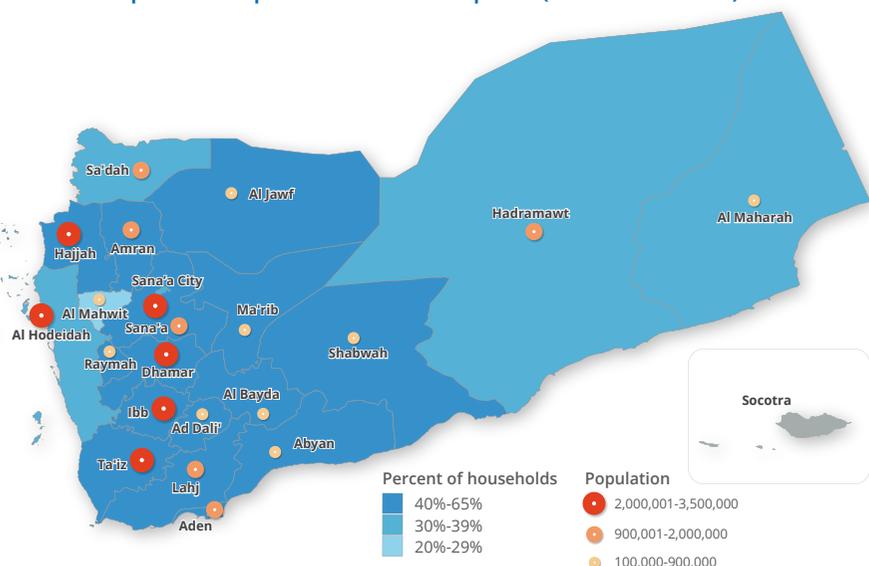
Nearly two-thirds of all governorates reported "very high" prevalence of inadequate food consumption during December 2021 ( $\geq 40$  percent of households). Furthermore, inadequate food consumption was reportedly higher than 60 percent of interviewed households in the governorates of Lahj, Al Bayda, Raymah, Abyan, Shabwah and Ad Dali'.

The largest increase in the proportion of households with inadequate food consumption during 2021 was observed in Ma'rib (+23 percentage points), Aden (+22 percentage points), Ibb (+17 percentage points), Lahj (+17 percentage points) and Abyan (+15 percentage points).

The ongoing economic crisis was the most frequently reported challenge, limiting household access to food. In areas under Sana'a-based authorities, 54 percent of the surveyed households reported unemployment and reduced wages as the principal factor limiting their ability to adequately consume food in December 2021, compared to 49 percent of households in areas under IRG. The trajectory of soaring food prices was the second most challenging shock affecting households' access to food. Twenty five percent of the interviewed households in southern areas had difficulty accessing food due to increased food prices, compared to 18 percent of interviewed households in northern areas.



Map 1: Inadequate food consumption (December 2021)



**Poor food consumption**

The share of households with severe food consumption gaps increased by 54 percent in 2021, particularly towards the end of the year, with one in every five Yemeni households reporting poor food consumption. This trend was more pronounced in areas under IRG (23 percent of interviewed households) in December 2021, compared to areas under Sana'a-based authorities (17 percent of interviewed households).

At the governorate level, nine of the 22 governorates had “very high” prevalence of poor food consumption in December 2021 ( $\geq 20$  percent of interviewed households), the highest was recorded in Al Dali', Lahj and Shabwah (34 percent), followed by Raymah (29 percent) and Ibb (28 percent).

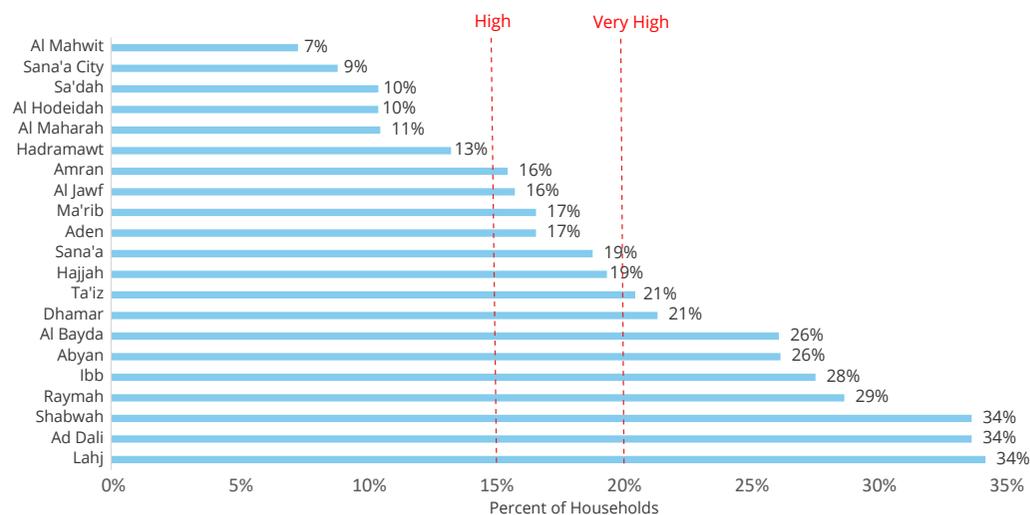
**Food-based coping strategies**

The majority of Yemenis resorted to food-based coping strategies; throughout 2021 nine out of every ten households applied at least one food-based coping mechanism to deal with insufficient access to food.

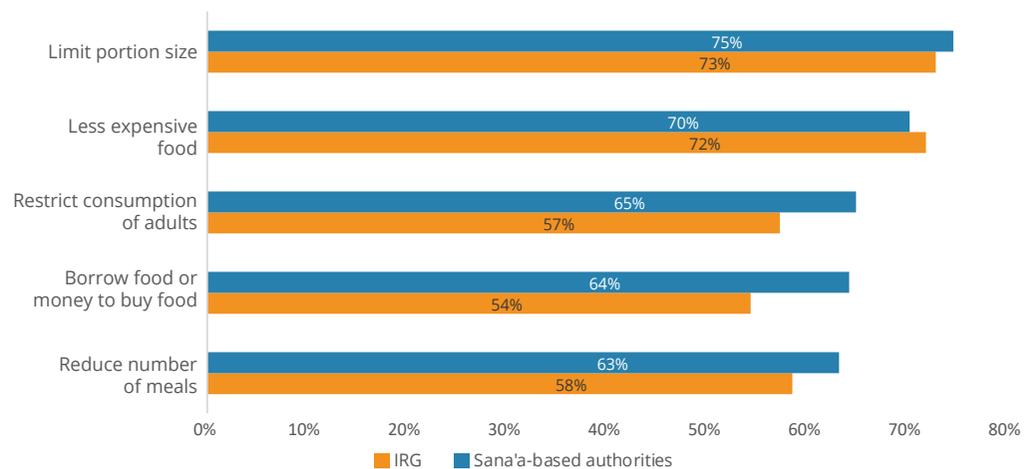
The increasing food prices and the further erosion of households' purchasing power played a key role in pushing more people to rely on food-based coping mechanisms. In December 2021, 76 percent of surveyed households in Yemen indicated limiting the size of consumed meals, while 71 percent had to rely on low quality or less expensive foods in order to meet their minimum food needs. Moreover, nearly two-thirds of interviewed households reported reducing food consumption by adult members to prioritize their children's food consumption needs, which is considered the most critical coping strategy.

According to December mVAM data, one in every five interviewed households indicated relying on food assistance as a main source of food, in addition to 30 percent of respondents reportedly relied on borrowing to cover food needs. The cumulative increases in prices and the continued degradation in households' economic capacity pose high risk for the whole population, but particularly for households relying -mainly- on assistance or borrowings.

Poor food consumption by governorate (December 2021)



Households reporting food-based coping strategies (December 2021)



**Dietary diversity**

The increased prevalence of inadequate food consumption and the increased reliance on negative coping strategies were associated with worsening dietary diversity during 2021. The number of households indicating not eating pulses and animal-source protein at all increased in December 2021 by 40 percent and 13 percent respectively, compared to the beginning of the year.

While many households were driven to change their food consumption patterns, this trend was more evident among households reporting poor food consumption, who tend to survive on calories from cereals, fats and sugars, and to a very low intake of nutritious food groups. These households consumed vegetables less than one day a week, pulses once every two weeks and hardly consumed animal-source protein, dairy or fruits. This was also reported by households during Eid Al-Adha (July 2021), during which households normally increase their intake of protein-rich foods, including the most vulnerable households.

Food consumption patterns



Households with Acceptable FC



Households with Borderline FC

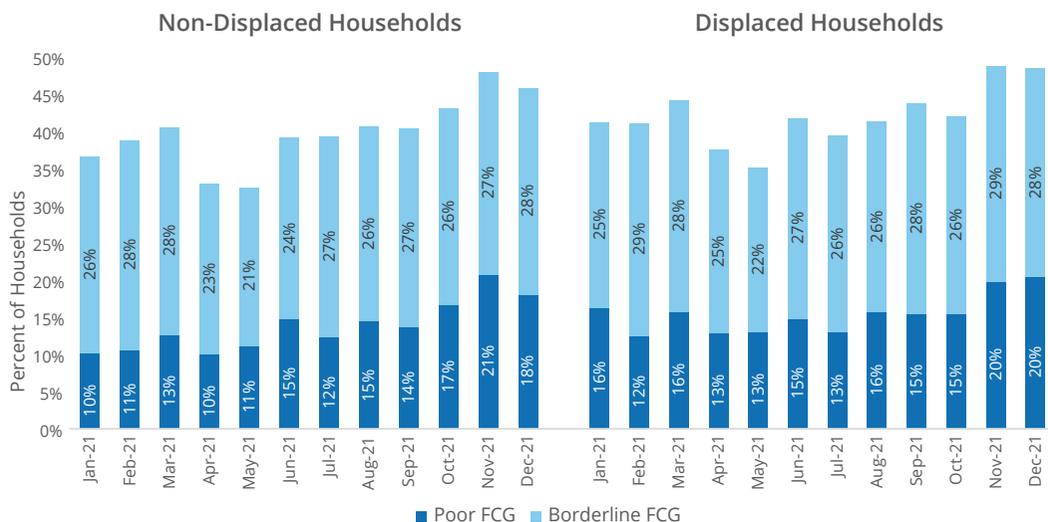


Households with Poor FC



(Number of days of consumption/week)

Poor and borderline consumption (by displacement status)



Access to food for Internal Displaced People (IDPs)

In 2021, more than four million IDPs faced dire food insecurity. Data from mVAM revealed that IDPs continued to show high levels of vulnerability; close to half of the interviewed IDPs in December 2021 (48 percent) reported inadequate food consumption, which represented an increase of 17 percent from the food insecurity level recorded at the beginning of the year. The prevalence of poor food consumption among IDPs reached 20 percent in December 2021, compared to 16 percent at the beginning of the year. Furthermore, 94 percent of the interviewed IDPs resorted to food-based coping strategies during December 2021.

© WFP 2022, 24 April 2022

Contact information:

- Mark Gordon, Deputy Country Director, WFP Yemen, (Mark.Gordon@wfp.org)
- Tobias Flaemig, Head of Research Assessment and Monitoring (RAM), WFP Yemen, (Tobias.Flaemig@wfp.org)
- Riham Abuismail, Head of VAM, RAM Unit, WFP Yemen, (Riham.Abuismail@wfp.org)
- Abdelrahman Hamza, Food Security Analyst, RAM Unit, WFP Yemen, (Abdelrahman.Hamza@wfp.org)
- Abdullah Alharazi, Graphic Designer, OIM Unit, WFP Yemen, (Abdullah.Alharazi@wfp.org)