

Revised FSAC Minimum Food Basket (MFB) Transfer Values: Effective 1st July 2021

Based on a detailed analysis and the review of the April 2021 food commodities price data (pegged on averages of the WFP and FAO market data), the revised transfer value of the FSAC Minimum Food Basket (MFB) for a household of 7 members in the northern governorates will be YER 50,000/household/month and YER 71,000/ household/month in the southern governorates respectively. This is equivalent to USD 84/ household /month.

Revised FSAC MFB Transfer Value: Northern Governorates

Food Commodities	Quantity in Kg/Liters for 7 persons per month (85% Kcal)	Average of WFP and FAO Prices (April 2021 Market Data)	Total MFB Cost/ HH/Month	Total MFB Cost/ HH/Month + 15% Buffer
Wheat Flour	75	349	26,172	30,098
Red Beans	10	824	8,243	9,480
Vegetable Oil	8	1,016	8,130	9,350
Sugar	2.5	401	1,003	1,153
Iodized Salt	1	160	160	184
TOTAL	85% Kcal	2,751	43,708	50,264
				YER 50,000 (Rounded off)

Revised FSAC MFB Transfer Value: Southern Governorates

Food Commodities	Quantity in Kg/Liters for 7 persons per month (85% Kcal)	Average of WFP and FAO Prices (April 2021 Market Data)	Total MFB Cost/ HH/Month	Total MFB Cost/ HH/Month + 15% Buffer
Wheat Flour	75	482	36,171	41,597
Red Beans	10	1,369	13,690	15,744
Vegetable Oil	8	1,300	10,401	11,962
Sugar	2.5	537	1,342	1,544
Iodized Salt	1	199	199	229
TOTAL	85% Kcal	3,888	61,804	71,075
				YER 71,000 (Rounded off)

Important Notes

1. For operational consideration, some FSAC partners can **adjust the transfer values based on the actual number of eligible household members**. As an example, this would equate to the following transfer values for households with 1-10 members, rounded to the nearest YER500;

Area	MFB value	MFB in YER by HH size (operational consideration)									
		1	2	3	4	5	6	7	8	9	10
Southern governorates	71,000	10,000	20,500	30,500	40,500	50,500	61,000	71,000	81,000	91,500	101,500
Northern governorates	50,000	7,000	14,500	21,500	28,500	35,500	43,000	50,000	57,000	64,500	71,500

2. The revised transfer value of the FSAC MFB meets 80% of the monthly household food needs and **came into effect on 10th June. All FSAC partners should adopt this revised transfer value as soon as possible and latest by 1st July 2021 (or for the July distribution cycle)** contingent on operational considerations;
3. The revised value of the FSAC MFB was endorsed by all partners during the national cluster meeting held on 10th June 2021;
4. The composition of the FSAC MFB remains as follows¹;
 - Wheat flour 75 kg
 - Beans 10 kg
 - Vegetable oil 8 liters
 - Sugar 2.5 kg
 - Salt 1 kg

¹ A review of the composition of the FSAC MFB to enhance nutritional adequacy is currently underway by a consultant

5. Possible addition of rice (based on community preferences)²;
 - Wheat flour continues to be the main source of cereals in the MFB since it is cost-efficient and the most consumed cereal in Yemen
 - Nonetheless, based on Yemeni coastal communities food consumption patterns, beneficiary preferences, and FSAC partners' feedback, rice can be used to substitute 25kgs of wheat flour
 - In the event that rice is utilized as a substitute, the MFB composition should be 50kg of wheat flour and 20kg of rice (the respective quantities of all other items in the FSAC MFB remain the same)
6. The market price data is based on the price monitoring systems of food commodities by both FAO and WFP. For the review, the Technical Working Group (TWG) calculated monthly averages at governorate level (WFP at capital, FAO at district level urban/rural)³;
7. The differentiation of the transfer values in YER between northern and southern governorates is driven by the volatile exchange rate and its differences in the two regions;
8. The reference period for the market price data is April 2021 as the most recent month with available data at the time of the review. With prices having sharply and continuously increased during the first four months of 2021 the TWG chose to use the latest data as reference point compared to an average of a longer period in the past;
9. The choice of the 15 percent buffer (contingency) on top of the regional average prices allows for governorates to have a buffer of greater than 3 percent compared to their governorate specific prevailing MFB costs. However, there are significant differences in the MFB values between governorates;
10. There is a need for regular reviews and corresponding updates of the MFB because of the inflationary trends of the MFB. The TWG decided to review the MFB every three months based on operational feasibility to ensure that beneficiaries receive the required transfer values to afford the commodities in the MFB. The regular review will also inform

² Prices reviews of the MFB have not taken rice into consideration given the potentially localized and ad-hoc implementation of this variation

³ The MFB Technical Working Group will develop the necessary guidance for harmonization of market price monitoring

the CMWG SMEB updates and provide the wider humanitarian community with the requisite data/analysis to make informed decisions;

11. The FSAC MFB caters for all Emergency Food Assistance transfer modalities (in kind, cash transfers, or voucher transfers). All agencies/organizations involved in Emergency Food Assistance (regardless of modality) SHOULD conform to the transfer value and composition of the MFB;
12. Emergency food assistance (in kind, cash transfers, or voucher transfers) should be provided a minimum of SIX (6) months/rounds consecutively to the same household in order to have any meaningful impact on improving households' food security status.
13. Considering the fluctuations in the exchange rate of the USD to YER, Partners are requested to document all USD to YER exchange rates utilized on a monthly basis;
14. FSAC partners SHOULD utilize any savings made due to a favourable USD to YER exchange rate as follows;
 - FSAC partners utilizing any savings from a favourable USD to YER exchange rate CAN provide food assistance either to the same beneficiaries in ongoing programs, or entirely new beneficiaries for any applicable number of months based on amount saved⁴;
 - If the savings made are not enough to provide more rounds of food assistance to the same target beneficiaries, the FSAC partner should target more beneficiaries. Considering that the savings will not be enough to provide 6 rounds/months of food assistance, FSAC partners SHOULD target newly displaced IDPs (either from conflict or floods) or other highly vulnerable groups within the same location/district with either one month/one round, two months/two rounds, or three months/three rounds of assistance as appropriate. The number of distribution rounds of less than 6 months does not apply to regular emergency food assistance programs.
 - In the event that there are no newly displaced IDPs (or all newly displaced IDPs needs are covered) in the target location/district, FSAC partners SHOULD target newly displaced IDPs in the nearby locations/districts

⁴ Preferable to target newly displaced IDP households or any other vulnerable groups and should be undertaken in consultation with the relevant FSAC Sub-Cluster Coordinator for avoidance of duplication/overlaps

15. The USD to YER exchange rate utilized for payment to suppliers/vendors or Financial Service Providers (FSPs) should be based on the existing agreement between the FSAC partner and the supplier/vendor or Financial Service Provider. The USD to YER exchange rate is negotiated every month based on the actual prevailing exchange rates or according to the pre-determined USD to YER exchange rate utilized on a monthly basis⁵. The fundamental underlying principle by FSAC partners is to ensure that program beneficiaries are not disadvantaged or undermined by "unscrupulous" vendors/suppliers or FSPs who may take advantage of local currency fluctuations, thereby reducing the quantity and quality of the MFB itself. All relevant authorities and beneficiaries should be well sensitized and informed of this transparently in line with the FSAC AAP principles;
16. Based on the local context, market functioning, and on a case by case basis, some FSAC partners undertaking voucher/ cash transfers can launch tenders and sign contracts with vendors/suppliers and/or FSPs in USD (considering the erratic and regular fluctuation of the YER). In so much as the tender and contract with suppliers/ financial service providers can be in USD, there needs to be an explicit condition reflected in the agreement stating that “the contract payment will be in USD adjusted every month based on the prevailing exchange rate, but the price of the MFB/ cash pay-out amount to beneficiaries will be in YER”. This is in line with the “non-dollarization policy” adopted by FSAC partners and all humanitarian actors in Yemen;
17. FSAC Partners supplying canned beans should provide 36 cans (one and a half cartons) of red canned beans per household⁶;
18. FSAC Partners involved in voucher transfers SHOULD provide the best quality of commodities available in the local market.

⁵ For most FSAC partners, the rate of payment to suppliers/vendors or Financial Service Providers will vary from month to month based on the negotiated rate based on Telegram a few days prior to the cash/voucher transfers

⁶ The drained weight of each 400 grams red bean can is equivalent to 278 grams; 10 kg of dry beans are therefore equivalent to 36 cans or one and a half cartons of red beans