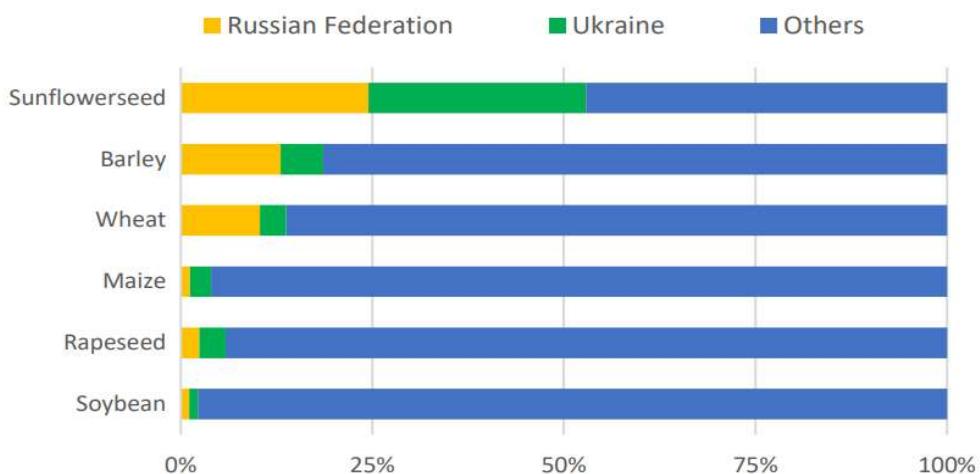


Jan 2021 – March 2022 market trends and the potential impact of the Russian Federation – Ukraine crisis at global and country level. *Draft for discussion*

1. Global market structure¹

The Russian Federation and Ukraine are among the most important producers of agricultural commodities in the world.

Table 1: share in global production of selected crops (2016 / 2017 – 2020 / 2021 Avg)



The critical role that the **Russian Federation** and **Ukraine** play in global agriculture is all the more evident from an international trade perspective. Both countries are **net exporters of agricultural products**, and they both play leading roles in supplying global markets in foodstuffs, for which exportable supplies are often concentrated in a handful of countries, exposing markets to increased risks of vulnerability to shocks.

- In the **wheat** sector, where the top seven exporters combined accounted for 79 percent of international trade in 2021, the **Russian Federation** stands out as the **top 1 global wheat exporter**, shipping a total of 32.9 million tons, or the equivalent of **18 percent** of global shipments. Ukraine stood as the **fifth largest wheat exporter** in 2021, exporting 20 million tons and with a **10 percent** global market share.
- The **prominence** of the two countries in the world trade arena is **similarly noteworthy** in global markets of **maize, barley and rapeseed**, and even more so in the **sunflower oil** sector, where their substantial production bases endowed them with a world export market share of close to **64 percent (combined)**.
- The high export concentration that characterizes food commodity markets is also mirrored by the **fertilizer** sector, where the **Russian Federation** plays a **leading supplier** role. In 2021, the Russian

¹ [The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the current conflict \(fao.org\)](https://www.fao.org/3c0300en/3c0300en.pdf)
[Food security implications of the Ukraine conflict | World Food Programme \(wfp.org\)](https://www.wfp.org/publications/food-security-implications-ukraine-conflict)

Federation ranked as the top exporter of nitrogen (N) fertilizers and the second leading supplier of both potassic (K) and phosphorous (P) fertilizers

Both the Russian Federation and Ukraine are key suppliers to many countries that are highly dependent on imported foodstuffs and fertilizers. Several of these countries fall into the Least Developed Country (LDC) group, while many others belong to the group of Low-Income Food-Deficit Countries (LIFDCs).

Table 2: Russian Federation. Export of selected commodities (thousands of metric tons)

Commodity	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Wheat	2020	2,101	1,576	3,361	4,765	605	214	2,337	4,671	5,015	4,643	4,290	4,867	38,445
	2021	3,083	4,537	1,150	802	458	2,228	1,882	5,221	4,581	2,834	3,190	2,951	32,917
Barley	2020	469	239	307	863	135	140	712	593	885	721	394	549	6,007
	2021	223	404	777	368	550	77	505	564	553	292	410	433	5,156
Maize	2020	352	335	548	877	248	87	250	156	88	140	333	389	3,803
	2021	374	451	982	287	551	202	134	68	79	252	351	407	4,138
Soybean	2020	93	108	210	98	76	47	138	122	100	99	123	174	1,388
	2021	674	52	31	12	18	26	27	19	14	35	36	50	994
Rape	2020	49	61	24	28	23	12	29	77	99	138	97	77	714
	2021	14	26	33	30	24	36	19	23	15	14	14	29	277
Sunflower	2020	157	201	342	72	61	10	1	2	33	204	184	106	1,373
	2021	6	3	8	3	2	2	3	1	4	10	16	35	93
Sunflower oil	2020	283	289	455	437	359	276	300	329	107	180	291	357	3,663
	2021	298	297	495	375	176	143	153	374	99	92	318	292	3,112
Rapeseed oil	2020	57	46	50	40	65	32	38	39	82	84	92	63	688
	2021	56	41	53	68	66	53	50	64	83	91	85	92	802

Table 3: Ukraine. Export of selected commodities (thousands of metric tons)

Commodity	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Wheat	2020	924	681	1,310	1,200	1,191	257	1,239	3,701	3,710	2,156	1,191	495	18,055
	2021	508	709	697	713	858	662	961	3,613	4,363	3,415	2,375	1,174	20,048
Barley	2020	152	141	309	339	152	190	839	1,315	750	491	296	71	5,045
	2021	120	61	131	25	23	64	1,097	1,658	1,016	737	435	244	5,611
Maize	2020	4,543	3,457	3,529	3,091	2,379	1,547	425	179	29	1,842	3,106	3,824	27,951
	2021	1,996	2,476	2,620	2,628	2,245	1,698	962	302	165	895	3,792	4,897	24,676
Soybean	2020	333	176	122	103	53	35	9	1	57	344	301	255	1,789
	2021	109	92	86	104	36	44	31	5	10	172	215	192	1,096
Rape	2020	2	2	2	5	1	4	183	880	546	316	276	164	2,381
	2021	11	3	13	3	1	0	52	772	879	635	234	57	2,660
Sunflower	2020	5	4	4	9	10	2	3	2	8	69	38	34	188
	2021	12	20	2	2	4	1	0	1	3	8	23	4	80
Sunflower oil	2020	581	627	608	717	639	588	593	329	304	525	756	594	6,861
	2021	482	484	381	391	502	325	328	202	277	434	639	690	5,135
Rapeseed oil	2020	0	33	2	0	0	0	5	35	35	19	6	2	137
	2021	0	0	0	0	0	0	4	47	61	35	15	2	164

Table 4: top 15 importers of Ukrainian wheat (left) and Russian wheat (right) in 2020

Country	Quantity (million tons)	Country	Quantity (million tons)
Egypt	3.08	Egypt	8.25
Indonesia	2.72	Turkey	7.90
Bangladesh	1.51	Bangladesh	1.94
Pakistan	1.24	Azerbaijan	1.39
Turkey	1.00	Sudan	1.33
Tunisia	0.98	Pakistan	1.17
Morocco	0.95	Nigeria	1.00
Yemen	0.71	Yemen	0.80
Lebanon	0.67	Tanzania	0.70
Philippines	0.63	United Arab Emirates	0.67
Thailand	0.56	Kenya	0.60
Libya	0.55	Georgia	0.59
Malaysia	0.40	Philippines	0.55
Spain	0.37	South Africa	0.55
Republic of Korea	0.32	Israel	0.54

2. Global price trends²

As measured by the **FAO Food Price Index (FFPI)³**, international export quotations of basic foodstuffs have seen **uninterrupted increases since the second half of 2020**. In March 2022 the trend further consolidated: the FFPI averaged 159.3 points, up 17.9 points (12.6 percent) from February, making a giant leap to a new highest level since its inception in 1990. The latest increase reflects new all-time highs for vegetable oils, cereals and meat sub-indices, while those of sugar and dairy products also rose significantly. Although the prices of all the commodity groups encompassed by the FFPI have registered gains since the latter part of 2020, the global cereal and vegetable oil markets - in which both Ukraine and the Russian Federation play significant roles - have been amongst those most affected. **In 2021, international prices of wheat and barley rose by 31 percent** over their corresponding levels in 2020, each, buoyed by strong global demand and tight exportable availabilities resulting from weather-induced production contractions in various major wheat and barley exporting countries. In the case of wheat, additional support stemmed from uncertainty regarding export measures put in place by selected suppliers in a bid to contain domestic inflationary pressure.

During the **first week of March 2022, U.S. wheat futures climbed past their record highs reached in 2008**. The strength prevailing in wheat markets, that is also influencing **maize** quotations, which **increased by 44 percent above their year-earlier levels in 2021**, received a further boost from production uncertainties in South America, higher input and transport costs, as well as port disruptions. In the **rapeseed oil and sunflower seed oil** sectors, annual price **increases** registered **in 2021** were in the order of **65 and 63 percent**, respectively, being spurred by protracted global supply tightness and robust demand, and in the case of rapeseed oil also from the biodiesel sector. Currently, sunflower oil is being traded at near-record highs. While sunflower seed oil is highly substitutable with other vegetable oils, wheat is not. Wheat is a staple food for over 35 percent of the world's population, and the lack of substitutability and dietary diversity will likely compound the pressure on wheat prices.

International benchmark prices of **fertilizers** have similarly risen throughout 2021, with many quotations reaching **all-time highs**. The most notable increases were registered for nitrogen fertilizer. Despite some

² [The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the current conflict \(fao.org\)](#)

³ [FAO Food Price Index | World Food Situation | Food and Agriculture Organization of the United Nations](#)

recent easing, prices of urea, a key N fertilizer, have more than trebled over the past 12 months, with prices of phosphorous fertilizer rising in tandem over the same period, while those of potash (K-fertilizer) remained less affected. Similar to other commodity prices, these fertilizer price dynamics were determined by the interplay of supply and demand. On the demand side, the higher output (crop) prices registered in 2021 boosted affordability of fertilizers, thereby influencing fertilizer prices upwards. On the supply side, high and volatile energy prices have also been at play, especially for natural gas, which plays a pivotal in the production of N-fertilizer and whose prices underwent a sharp increase in 2021.

Based on FAO forecasts for the ongoing 2021/22 season (July-June) before the conflict and on the pace of exports to date, **between March and June 2022, Ukraine was expected to export approximately 6 million tons of wheat while the Russian Federation was estimated to ship 8 million tons**. However, port closures in Ukraine and anticipated sales difficulties in the Russian Federation because of economic sanctions call into question whether these exports will actually be realized. **While a sudden and steep reduction in shipments by the two countries could increase exports by alternate origins**, such as the European Union (EU), and potentially Canada and the United States of America (USA), **the potential for these exporters to fully make-up for lower shipments by Ukraine and the Russian Federation is foreseen to be limited**. Among other suppliers, Argentina's exports in 2021/22 will also likely remain limited by the Government efforts to control domestic inflation, while Australia has reached its maximum shipment capacity logically. In such a setting of significantly reduced global export availabilities, other countries could enforce measures (formal or informal) to slow or restrict exports in order to protect domestic supplies and/or address domestic price inflation.

As regards **sunflower seed oil**, prior to the escalation of the conflict, improved supply situations would have enabled Ukraine and the Russian Federation to raise their exports of the product in 2021/22 (October-September) to 6.6 and 3.7 million tons, respectively. FAO estimates that about half of these volumes were already shipped by the countries between October 2021 and February 2022, leaving a balance of **3.3 and 1.9 million tons to be respectively exported by Ukraine and the Russian Federation** in the remaining seven months of the 2021/22 marketing year, were FAO's forecasts to be realized. However, much uncertainty surrounds current export prospects. In Ukraine, shipments of sunflower seed oil have come to a virtual halt due to conflict-induced logistic bottlenecks at port facilities and the suspension of crushing operations across the country. In addition, as of 5 March 2022, Ukrainian sunflower seed oil exports were also subject to licensing requirements. In the case of the Russian Federation, questions also exist on the potential impact of the financial sanctions on sunflower seed oil exports. Given the significant export shares of Ukraine and the Russian Federation in the global sunflower seed oil market, **any disruption to their shipments would have notable implications for major sunflower oil importers**. This implies that the impacts of the conflict could go beyond the sunflower seed oil sector, **with spillover effects onto other vegetable oils, such as palm, soy, and rapeseed oils**.

3. Global scenarios⁴

Two scenarios were simulated to account for a range of conceivable export developments during the 2022/23 marketing year, namely:

1) A moderate shock

under which wheat and maize exports from Ukraine and the Russian Federation, combined, underwent a 10 million tons reduction, while their exports of other coarse grains were reduced by 2.5 million tons and those of other oilseeds by 1.5 million tons.

2) A severe shock

entailing a 25 million tons reduction in their combined exports of wheat and of maize in 2022/23, alongside a 5 million tons decrease in their shipments of other coarse grains and a 3 million tons cut to those of other oilseeds.

a) The capacity of alternate origins to boost output and exports to compensate for reduced Russian and Ukrainian shipments could be only partial and would vary depending on the magnitude of the market shock and the relative elasticities of supply and demand. **Under the moderate shock scenario**, this would result in **global trade volumes of wheat contracting by 8 million tons**, as only an additional 2 million tons would be supplied by alternative exporters. For maize, the **world trade reduction would amount to 7 million tons**. **Under the more severe scenario, global trade volumes would fall by 13 million tons for wheat and by 12 million tons for maize**.

b) International prices of the four commodities with important Ukrainian and Russian export shares would rise in response to reduced export supplies, with their rate of increase determined by the magnitude of the shock, supply elasticities of alternative suppliers and the commodities' relative demand elasticities. Compared to their already elevated baseline values, **wheat price would increase by 8.7 percent under the moderate scenario and by 21.5 percent under the severe shock**. For maize, the increase would be to the tune of 8.2 percent in the moderate case and of 19.5 percent in the severe scenario. For other coarse grains, prices would rise by 7 to 19.9 percent, and by 10.5 to 17.9 percent for other oilseeds.

c) The global reference price of fertilizer would undergo a **13 percent increase in 2022/23**, relative to its already elevated baseline level, in response to the more expensive production inputs implied by the higher crude oil price, but also by the higher crop prices. This increase would influence production costs for 2022/23 growing seasons.

d) Market impacts would also be felt in related sectors. For instance, a reduction in exportable supplies for oilseeds (mainly sunflower) would push prices of other oilseeds up. A cut in feed wheat and maize availabilities would similarly bolster prices of feed products. Combined, these factors would drive livestock prices up, with the more feed-intensive poultry and pork sectors directly affected the most.

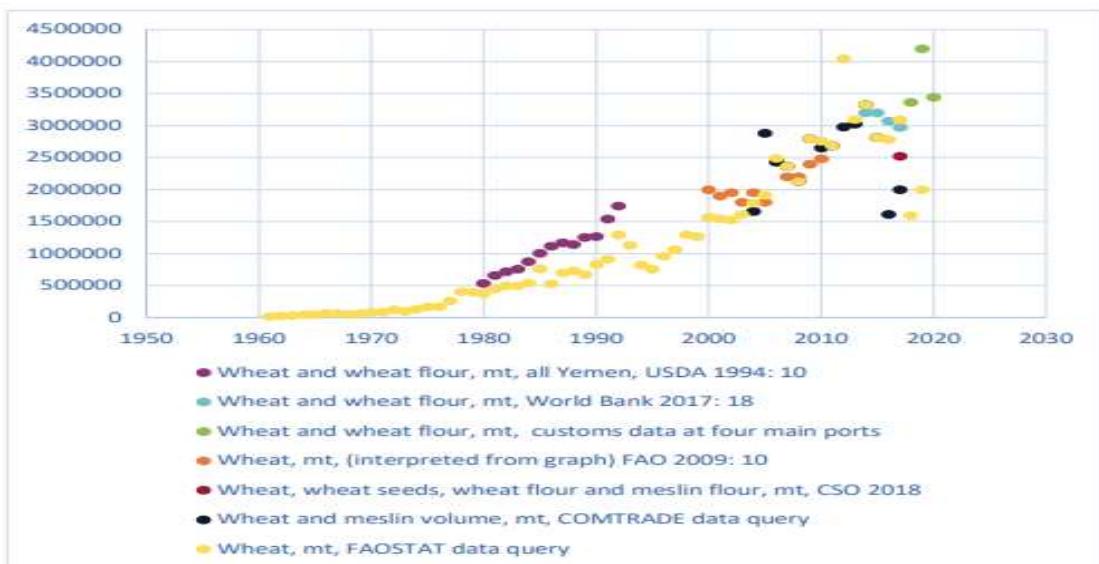
⁴ [The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the current conflict \(fao.org\)](https://www.fao.org/3c9300en/3c9300en.pdf)

4. The Yemeni context⁵

Throughout the 1990s, the Yemeni economy transitioned into a **highly import-dependent economy**, especially for basic foodstuffs. Oil export revenues and large remittance flows from Yemeni workers abroad – primarily in the Gulf Cooperation Council states – were used to support a strong domestic currency⁶. Local food production could not remain competitive in the face of cheap imports. Wheat, the main staple food in Yemen, became more expensive to cultivate because of increasing production costs, notably of water pumping for irrigation. Incentivized by fuel subsidies prior to the current conflict and by the prospect of increased and faster income, most agriculture producers shifted from cereals to cash crops, mainly. The civil war compounded a deteriorating macroeconomic situation: **between 2003 and 2020, total imports rose by 85 percent while exports fell by 72 percent⁷**. The total value of imports is now six times that of exports, and food imports alone exceed total exports. Domestic cereal production currently contributes less than 20 percent of all food utilization needs, with domestic wheat production contributing between 5–10 percent⁸.

- Yemen heavily (90 percent) depends on wheat imports. **In 2021, 42 percent of wheat came from Ukraine (20 percent) and the Russian Federation (22 percent), combined.** Despite 1. the escalation of the conflict caused major disruption to the food pipeline to and within the country through the imposition of inspection mechanisms and 2. the partial destruction of infrastructure and dramatically increased costs due to delays and road taxes, **level of wheat imports did not see a significant decrease compared to the pre-crisis level**. The fact that around 0.5 million metric tons of wheat has been yearly imported for humanitarian purpose should be taken into account, as it could have compensated what, otherwise, would have been a reduction in wheat imports across the country.

Table 5: different sources compared: Yemen, wheat imports in metric tons, 1961–2020⁹



⁵ [The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the current conflict \(fao.org\)](https://fao.org/food-security-implications-of-the-ukraine-conflict/)

[Food security implications of the Ukraine conflict | World Food Programme \(wfp.org\)](https://www.wfp.org/documents1.worldbank.org/curated/en/376891524812213584/pdf/125815-WP-PUBLIC-YemenReportFinalAprilcompressed.pdf)

[Missiles and Food: Yemen's man-made food security crisis \(reliefweb.int\)](https://www.acaps.org/sites/acaps/files/products/files/20201216_acaps_yemen_analysis_hub_food_supply_chain_0.pdf)

[World Bank Document](#)

[Yemen \(YEM\) Exports, Imports, and Trade Partners | OEC - The Observatory of Economic Complexity](#)

[6 \[https://www.acaps.org/sites/acaps/files/products/files/20201216_acaps_yemen_analysis_hub_food_supply_chain_0.pdf\]\(https://www.acaps.org/sites/acaps/files/products/files/20201216_acaps_yemen_analysis_hub_food_supply_chain_0.pdf\)](https://www.acaps.org/sites/acaps/files/products/files/20201216_acaps_yemen_analysis_hub_food_supply_chain_0.pdf)

[7 <https://www.ifpri.org/blog/russian-invasion-ukraine-threatens-further-exacerbate-food-insecurity-emergency-yemen>](https://www.ifpri.org/blog/russian-invasion-ukraine-threatens-further-exacerbate-food-insecurity-emergency-yemen)

[8 "Yemen: Agricultural Livelihoods and Food Security in the Context of COVID-19." FAO. January 2021.](#)

[9 \[Food security in Yemen: the private sector and imported food, ODI, ACAPS, February 2022\]\(#\)](#)

Imports are secured almost entirely by the private sector (see the table below, updated information is not available) which have shown resilience and have been successful in sustaining the supply of those commodities into the country. However, despite their ability to date, these market mechanisms could fail due to rising costs and risks.

Table 6: top ten Yemeni wheat importers by total net weight imports during 2014 - 1016

NO	IMPORTER	LEVEL OF IMPORTS (MILLIONS OF TONES)
1	Yemen Company for Flour Mills and Silos (HSA)	2.60 tons
2	Yemen Company for Industrial Invest. (Fahem)	2.30 tons
3	Al-Saeed Trading Company (HSA)	1.26 tons
4	Al-Hodeidah Company for Mills Ltd. (HSA)	0.75 tons
5	Yemen Intl. Food Industries Co. (Al-Habbari)	0.52 tons
6	National Grain Silos Ltd. (NASCO) (Al-Aaudi)	0.49 tons
7	World Food Programme (WFP)	0.43 tons
8	Aden Silos & Mills Company (Al-Rowaishan)	0.33 tons
9	Al-Haj Mohammed Ali Alaudi	0.11 tons
10	Arabian Company for Grain Silos (Yahya Suhail)	0.09 tons

Source: Yemen Customs Authority

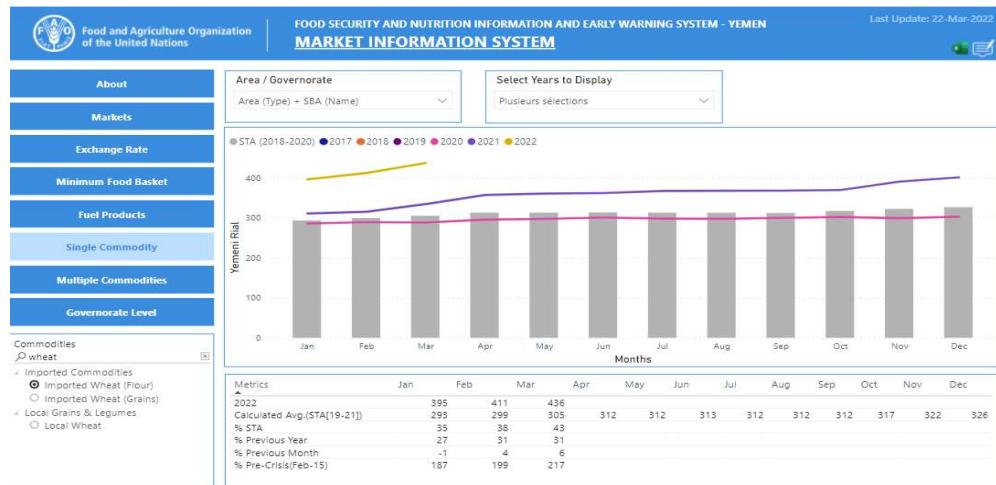
Between 2014 and 2016, two companies accounted for about 70 percent of wheat imports, and eight importers accounted for nearly all of the rest. The conflict may have increased that concentration.

- According to available statistics about fertilizer, in 2019, NPK fertilizers import for Yemen was 8,378 tons. Though Yemen NPK fertilizers import fluctuated substantially in recent years, it tended to increase through 2005 - 2019 period. No information regarding the Yemeni reliance on The Russian Federation and Ukraine is available.
- Statistics about flower seed oil or the Yemeni reliance on The Russian Federation and Ukraine are not unavailable.

5. The Yemeni market analysis¹⁰

- Source of information: FAO Market Information System and WFP Market Analyses
- Market analyses (2021 and Jan – March 2022)
 - Imported wheat flour
 - ✓ In the Sana'a Based Authorities (SBA) Area of Control (AoC), price steadily increased (Jan 2021: 310 YER; Dec 2021: 400 YER) in 2021. During January - March 2022 this trend further consolidated (+17%).

Table 7: Imported wheat flour, SBA AoC



- ✓ In the Internationally Recognized Government (IRG) AoC, price doubled (Jan 2021: 432 YER; Dec 2021: 941 YER) in 2021. During January - March 2022, it further increased (+15%).

Table 8: Imported wheat flour, SBA AoC



- Imported wheat grains

¹⁰ [The importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the current conflict \(fao.org\)](https://www.fao.org/food-security-implications-of-the-ukraine-conflict/)

[Food security implications of the Ukraine conflict | World Food Programme \(wfp.org\)](https://www.wfp.org/documents1.worldbank.org/curated/en/376891524812213584/pdf/125815-WP-PUBLIC-YemenReportFinalAprilcompressed.pdf)

<https://documents1.worldbank.org/curated/en/376891524812213584/pdf/125815-WP-PUBLIC-YemenReportFinalAprilcompressed.pdf>

[Missiles and Food: Yemen's man-made food security crisis \(reliefweb.int\)](https://reliefweb.int/report/yemen/missiles-and-food-yemens-man-made-food-security-crisis)

[World Bank Document](#)

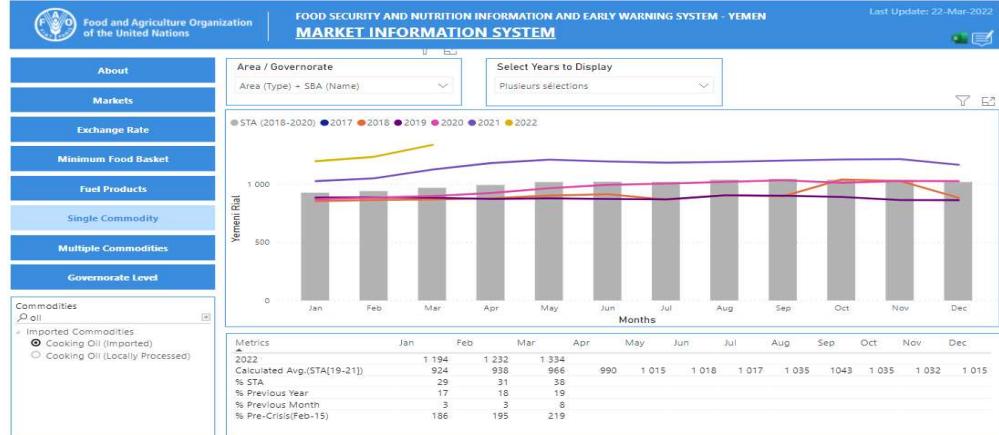
[Yemen \(YEM\) Exports, Imports, and Trade Partners | OEC - The Observatory of Economic Complexity](#)

In 2021 and In January - March 2022, the wheat grain prices had a **very similar trend compared to wheat flour**.

- **Imported cooking oil**

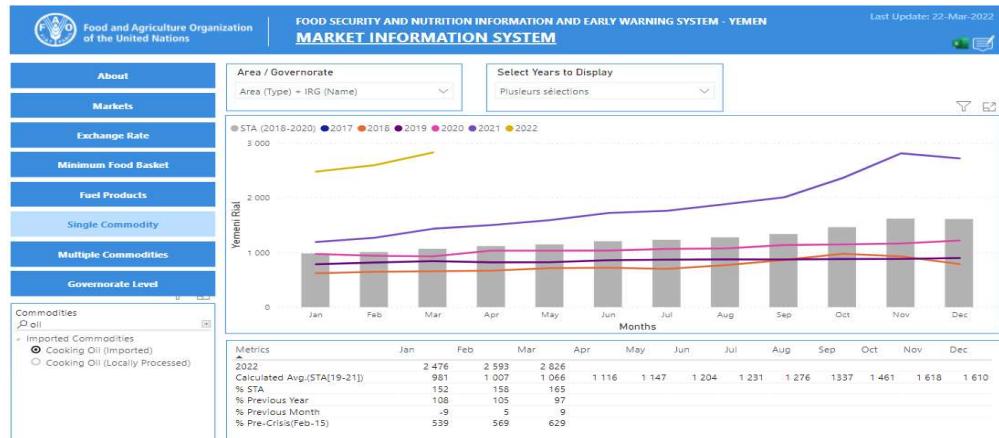
- ✓ In the **SBA AoC**, price rose till June 2021, then it remained stable. The **2021 growth was 14%**. In January - March 2022, price increased again (+20%).

Table 9: Imported cooking oil, SBA AoC



- ✓ In the **IRG AoC**, price almost tripled (Jan 2021: 1.189 YER; Dec 2021: 2.717 YER) in 2021. In January - March 2022 price further increased (+20%).

Table 10: Imported cooking oil, IRG AoC



- **Fertilizer (NPK)**

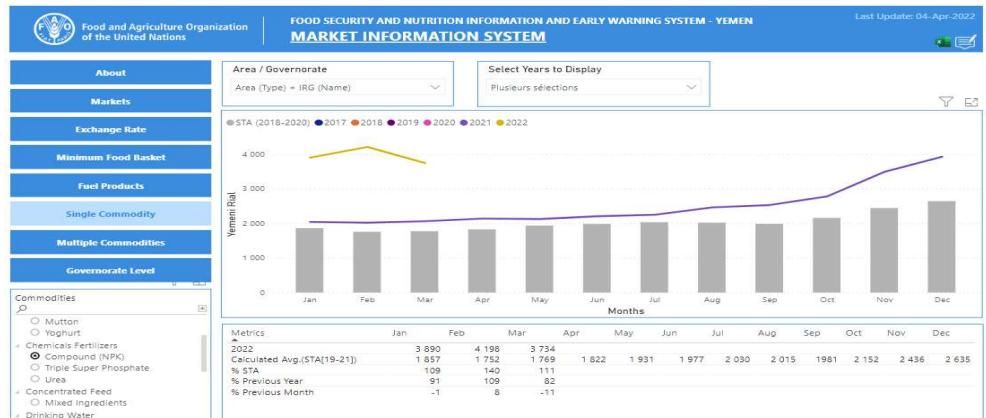
- ✓ In the SBA AoC, in 2021 the price remained stable till November, then it decreased in December. In January - March 2022, it increased (+17%).

Table 11: NPK, SBA AoC



- ✓ In the IRG AoC, in 2021 the price was almost stable up to June, then it almost doubled between July and December. In January - March 2022 price experienced a slight decrease (-4%).

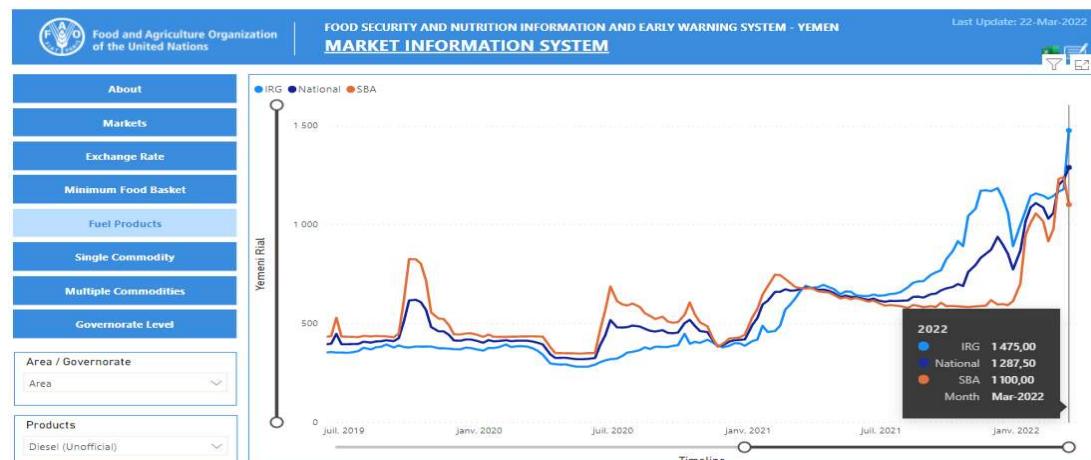
Table 12: NPK, IRG AoC



- **Unofficial diesel**

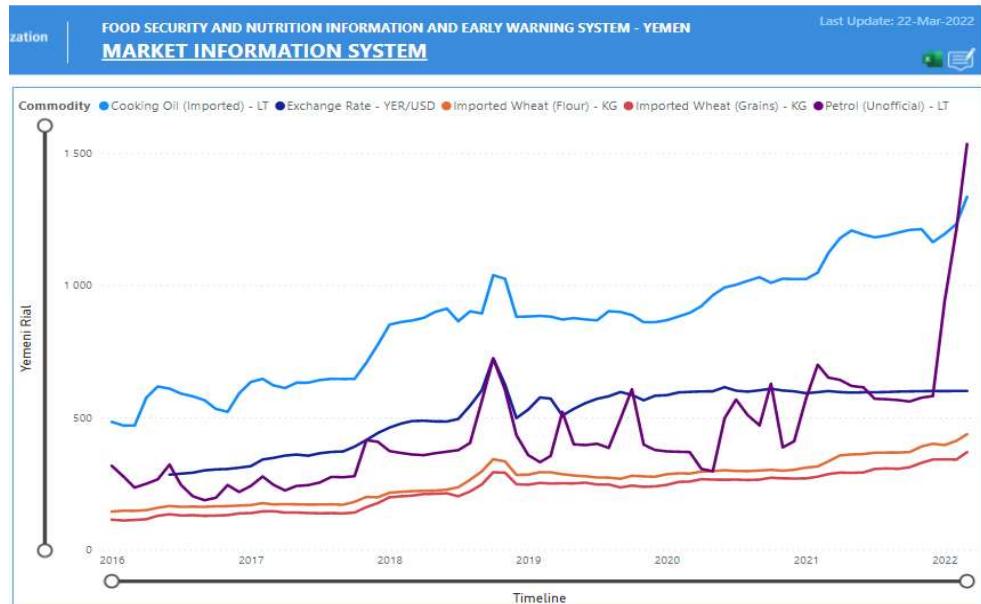
In the last two years, at national and SBA / IRG AoC levels, price experienced a steady increase, with an impressive acceleration from January to March 2022.

Table 13: unofficial diesel

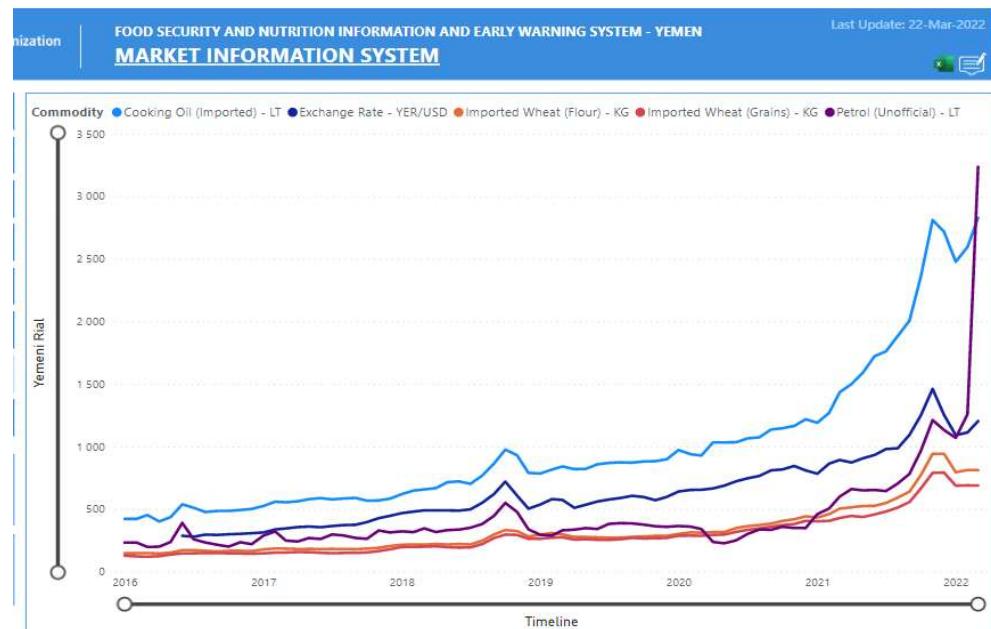


- **Wheat, cooking oil and unofficial diesel vs exchange rate**

✓ Table 14: SBA AoC



✓ Table 15: IRG AoC



6. Conclusion

The main reason why the war in Ukraine has relevant outcomes on a local and a global level is that the **Black Sea region is a vital agricultural hub** and Ukraine and the Russian Federation are two of the world's breadbaskets. Over the past five years, Ukraine and the Russian Federation globally accounted for nearly 20% of the exports of wheat and barley and 50% of sunflower seed oil.

Since the beginning of the crisis, the export of food both from Ukraine and Russia has been suspended or significantly slowed down. From The Russian Federation — because of economic sanctions and from Ukraine — because it has been cut off physically. The Russian Federation has blocked the Black Sea for exports, and Ukraine lacks enough rail cars to transport food overland. To make things worse, as the war is happening at

the end of the winter, Ukrainian farmers are most likely going to miss critical planting and harvesting seasons. The war is having a domino effect on so many layers. It is threatening the security of countries that are already struggling to feed their populations as well as endangering the operations of industries all around the world dependent on agriculture supplies. And, at the same time, it has a worrisome effect on fuel and electricity prices too — factors that also impact the food supply.

The above mentioned effects of the Russian Federation – Ukraine crisis compound an already worrisome situation at global level: as measured by the **FAO Food Price Index**, international export quotations of basic foodstuffs have seen uninterrupted increases since the second half of 2020. In March 2022 the trend further consolidated: the **FFPI averaged 159.3 points**, up 17.9 points (+12.6 percent) from February, making a giant leap to a new highest level since its inception in 1990. Parallelly: in 2021 crude oil prices rose by 60 percent¹¹, as increasing COVID-19 vaccination rates, loosening pandemic-related restrictions and a growing economy resulted in global petroleum demand rising faster than petroleum supply. The spot price of Brent crude oil, a global benchmark, started the year at \$50 per barrel and increased to a high of \$86/b in late October before declining in the final weeks of the year. Global petroleum production increased more slowly than demand, driving higher prices. The slower increase in production was mostly attributable to OPEC+ crude oil production cuts that started in late 2020. OPEC and other countries, such as the Russian Federation, that coordinate production with OPEC (referred to as OPEC+) announced in December 2020 that they would continue to limit production increases throughout 2021 to support higher crude oil prices. All the other energy sources followed a similar trend.

In Yemen the situation is even more complicated, with a macroeconomic situation deteriorated by 7 years of war. The total value of imports is currently six times that of exports, and food imports alone exceed total exports. Domestic cereal production meets less than 20 percent of all food needs, with domestic wheat production contributing between 5–10 percent. Socioeconomic conditions further worsened in 2021, driven by currency devaluation, increase in food and fuel prices, as well as by the adverse climate conditions and depleted coping capacity.¹² All these factors drove to an unprecedented level of food insecurity, with 19 million people expected to experience a severe food insecurity during May – December 2022¹³.

Despite in March 2022 prices of imported key food and non-food items significantly increased, as unveiled by the previous paragraph this trend cannot be so far solely attributed to the Russian Federation - Ukraine crisis: markets should be further monitored over the next weeks, to better understand their evolution and the influence of all the above mentioned drivers (additionally, a 2 month truce came into effect on 02.04.2022, potentially bringing new windows of opportunity). Nevertheless, FSAC partners already noted some risks (example: of 13 million people reached through emergency food assistance, approximately 9 million benefits from in-kind food distribution whose food basket include imported wheat. A further increase of prices could impact on their delivery capacities) and, over the coming months, the situation could further deteriorate.

FSAC will continue to collect information, aiming at assessing market, adjusting guidelines, informing partners, ensuring a sound coordination and an effective advocacy. Therefore this document will be regularly updated and further analyses made available

¹¹ [Crude oil prices increased in 2021 as global crude oil demand outpaced supply - Today in Energy - U.S. Energy Information Administration \(EIA\)](#)

¹² [WB economic outlook oct 2021 yemen.pdf](#)

¹³ [Yemen: Acute Food Insecurity Situation January - May 2022 and Projection for June – December 2022 | IPC Global Platform \(ipcinfo.org\)](#)