



Market & Trade Bulletin, Yemen

April 2023 – Issued 5th July 2023

I. GLOBAL AND DOMESTIC TRADE SITUATION

Yemen is net cereal (wheat and rice) importer¹ and so developments in the global cereal prices are reflected in the domestic prices. Global cereal prices have been on declining in the last seven months through May 2023. The FAO Cereal Price Index was down nearly 5 percent from April and as much as 25 percent below its record-high value one year ago. International wheat prices declined by about 4 percent month-on-month, reflecting prospects for ample global supplies in the upcoming 2023/24 season and the extension of the Black Sea Grain Initiative. On the other hand, international prices of rice continued to increase in May, due to increased demand against tightened supplies in some exporting countries². Although key staples are available in the main markets in Yemen, volume of food imports through Al Hudaydah & Assalif Ports declined during the first four months of 2023

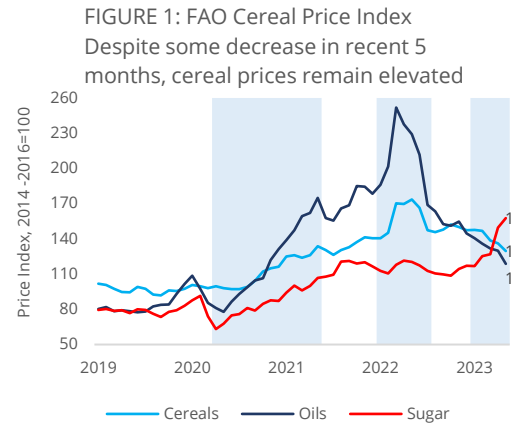
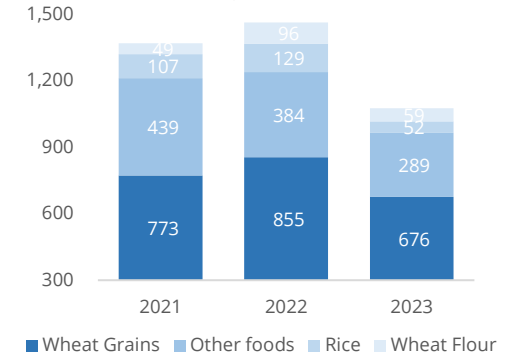


FIGURE 2: Food Imports (Al Hudaydah & Assalif Ports) Jan - April, '000 MT

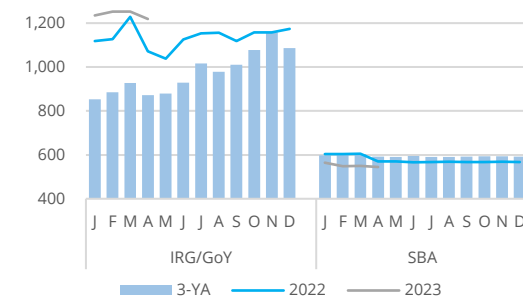


compared to the last two years due to currency depreciation in the GoY controlled areas but also sub-optimal functioning of the seaports. During Jan-April 2023, an estimated 1,075 thousand MT of food was imported through Al Hodeidah and As Salif Ports, which is 21 percent and 27 percent lower than in 2021 and last year's volumes respectively. Wheat grains constituted the bulk of the food imports (63 percent) through the two ports. Similar trends were observed in Aden and Mukalla Ports although the decrease in food imports during the reporting period (Jan – April 2023) was modest (5 percent) compared to the same period last year³.

II. EXCHANGE RATES

The exchange rate between the YER in the GoY controlled areas in the south extended weakening trends that started in January 2020 following the printing of new notes by the Central Bank. During April 2023, the YER in GoY areas appreciated marginally (3%) month-on-month but lost value by 12 percent and 28 percent when compared to the same period last year and the three average respectively. The YER in SBA areas however has been relatively stable in the last two and half years when the Authorities banned circulation of new notes printed in the south. The exchange rate in SBA controlled areas is stronger compared to last year and the 3-year average having gained about 5 percent since January this year.

FIGURE 3: Exchange rate trends



¹ Normally 90-95 percent of its wheat and 100 percent of rice requirements met through imports.

² <https://www.fao.org/worldfoodsituation/foodpricesindex/en/>

³ WFP Food Security Update (March 2023): <https://docs.wfp.org/api/documents/WFP-0000149787/download/>

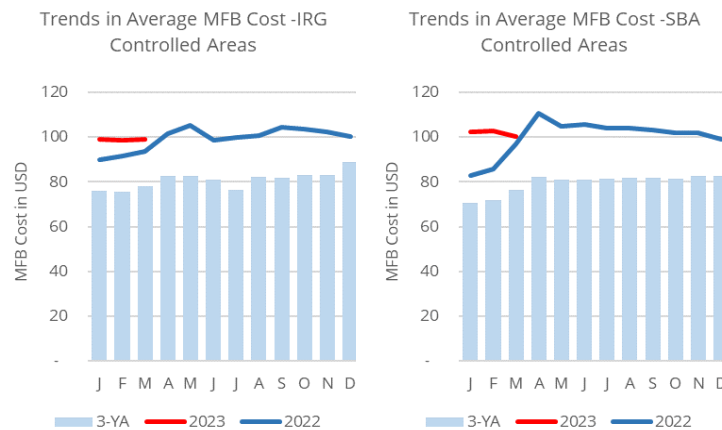
III. FUEL PRICES

Diesel prices declined slightly (4-8 percent) in April 2023 m-o-m in most markets except for 7 percent increase in Marib, because of front-line conflict induced supply constraints. When compared to the same period a year ago, diesel prices continued to decrease (14 – 54 percent) in most governorates, supported by declining global oil prices. When compared in dollar terms, diesel prices are relatively more expensive in expensive in SBA areas (20 percent) than in GoY controlled areas although have decreased more rapidly in the former in the last two months-attributable to stronger YER and strict enforcement of price controls. Fuel remains generally available in SBA areas, but sporadic shortages were reported in areas under the control of the GoY because of continued shortage of foreign currency.

IV. MINIMUM FOOD BASKET (MFB)

In April, the average per capita monthly cost of the Minimum Food Basket (MFB) reached an average of YER. 122,307 in GOY areas and 54,090 in SBA areas equivalent to about USD 100 in both areas. The MFB was most expensive in Sa’ada (USD 112), Shabwa (USD 108) and Ibb (USD 107) and least expensive in Taiz (USD 78). The MFB remained relatively stable or decreased slightly month-on-month in at governorate level during the reporting month.

Figure 5:- Minimum Food Basket Cost



When compared to the same month last year, the change in the cost of the MFB was mixed; decreased in half of the governorates while increased in the rest, the highest in Al Jawf (72%), Lahj (57%), Socotra 54%), Al Maharar (33%), Abyan & Amran (21%), and Sa’ada & Sa’ana (18%). When compared to the three-year average, the increase in the cost of the MFB is significantly higher in GOY areas, the highest Al Jawf (151%), Lahj (93%), in Al Maharar (89%), Socotra (86%) and Abyan (83%).

FIGURE 4: Diesel Prices in US Dollar terms

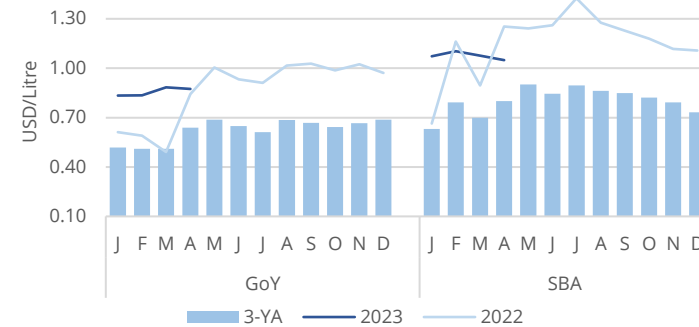
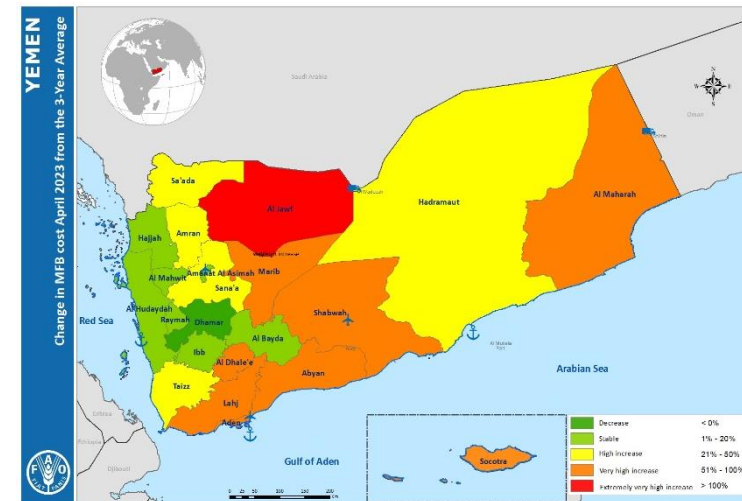


FIGURE 6: Minimum Food Basket Change : Apr'23 from the 3-YA)



V. WEAT FLOUR

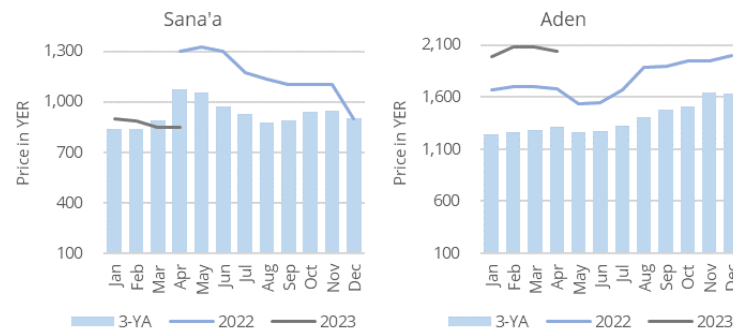
During April 2023, staple wheat flour prices remained unchanged or slightly decreased in most markets except for increase in Al Amanat Al Asimah (9 percent). Compared to the same month last year, wheat prices increased highest in Al Jawf (107%), Socotra (67%), Lahj (44%), Abyan (27%), Sana'a (25%), Shabwa (12%) an Aden (7%). The wheat flour prices are



higher all over the country when compared to the 3-year average, but most significantly in GOY areas as opposed to SBA areas where the increases are moderate. The highest price increase when compared to the 3-year average were in Al Jawf (213%), Al Mahah (126%), Hadramaut Inland (117%), Socotra (88%), Lahj (80%) and Abyan (79%).

VI. RICE

Rice prices remained relatively stable or declined m/o/m in most of the markets during the reporting month except for 5 - 6 percent increase in Abyan an Amran Governorates. Compared to the same time last year, rice prices were up (+ 19% to + 112%) predominantly in GOY Governorates, the highest increase in Al Jawf (112%), Abyan (52%), Lahj (46%), Socotra (33%)



while declined in Sana'a City (35%), and Marib (20%). Compared to the five-year average, rice prices were generally higher across most markets but more significantly in GOY areas (33 -127%) as opposed to SBA areas where the increase was somewhat modest (9- 13 percent).

FIGURE 7: Wheat flour price changes: Apr 2023 from the 3-YA

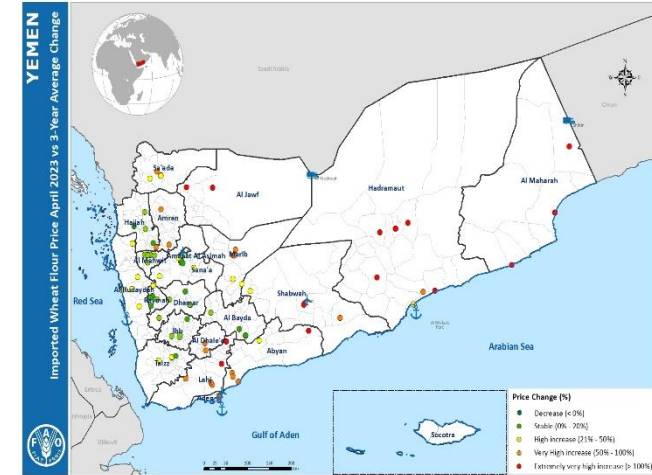
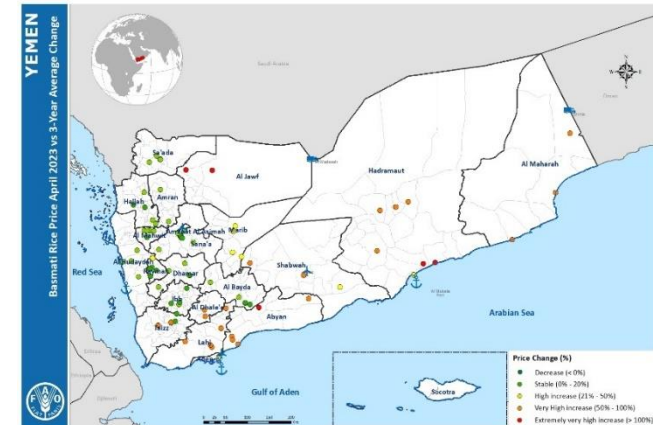


FIGURE 7a: Rice price changes: Apr 2023 from the 3-YA



VII. BEANS

Beans prices witnessed a continuous price decrease or stability in most markets during the reporting month except for increase (12 - 13 percent) in the reference markets in Raymah and Abyan Governorates. When compared to the same month last year, beans prices went up in Socotra (76%), Raymah (51%), Lahj (50%), Abyan (29%), Shabwa (31%), Al Dhale'e & Al Mawhvit (13%), and Raymah (23%) while declined in Amanat Al Asimah (22%), Sana'a (20%), Aden (13%), and Hajjah & Ibb (14 -15 percent). When compared to the 3-year average the current beans prices are very high as much as 111 - 137 percent in Abyan, Socotra, Sa'ada, and Al Maharan Governorates.

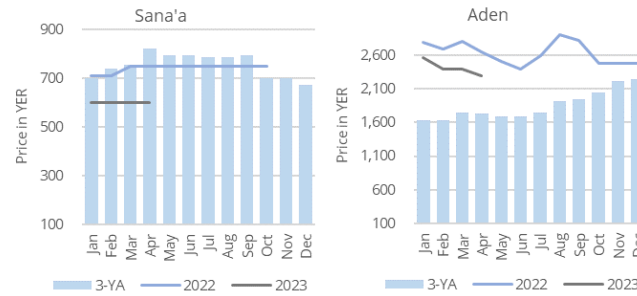
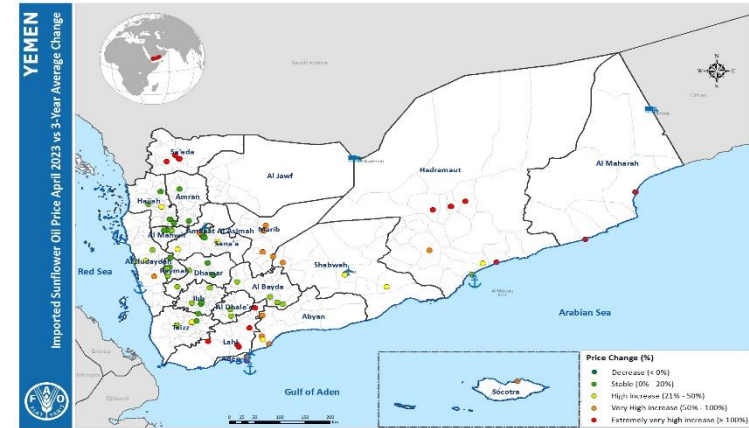


FIGURE 8: Cooking oil price changes: Apr 2023 from the 3-YA average



VIII. COOKING OIL

Cooking oil (imported sunflower oil) prices remained generally stable over the month of March 2023 when compared to the previous month in most markets countrywide except for slight increase in Marib (13%). When compared to the corresponding month last year, the price of cooking oil was mixed; went up in Lahj (103%), Al Jwaf (47%), Sana'a (33%), and Aden (24%), while decreasing or remaining stable in the rest. Imported sunflower oil prices are significantly high in many markets in GOY areas when compared to their three-year average; remarkably in Hadramaut Inland (240%), Al Maharah (197%), Sada'a (160%), Lahj (152%), Marib (103%), Al-Jwaf (100%), Aden (92%), and Abyan (92%).

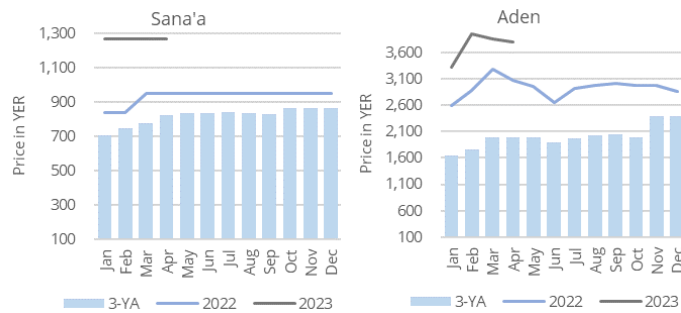
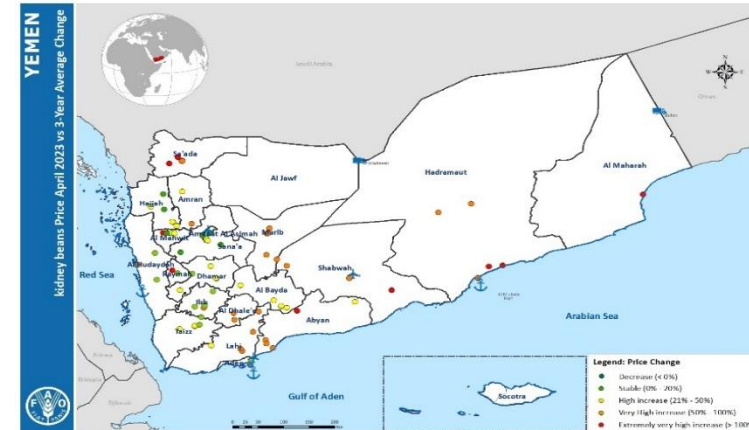


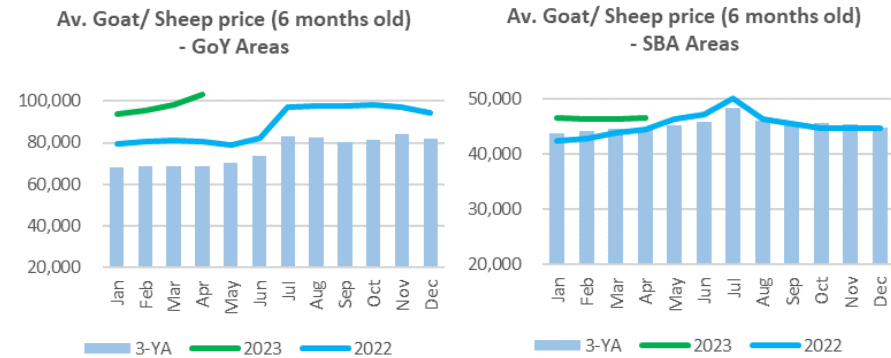
FIGURE 9- Beans price changes: April 2023 from the 3-year Average



IX. LIVESTOCK PRICES

Livestock prices (sheep/ goat) during the first four months of year trended seasonally, remaining relatively stable in SBA, and increasing steadily in GoY-controlled areas. Notable, the livestock prices were 5 percent and 28 percent higher in April than their levels last month and the same month the year before in GoY-controlled areas while increased modestly (5%) compared to the same period last year in SBA-controlled areas- the trends attributable to increased purchases in preparation for consumption during the next Eid. When compared to the five three year- average, goat and sheep prices were significantly elevated in most markets in GoY-controlled areas (50%) as opposed to SBA-controlled areas (5%).

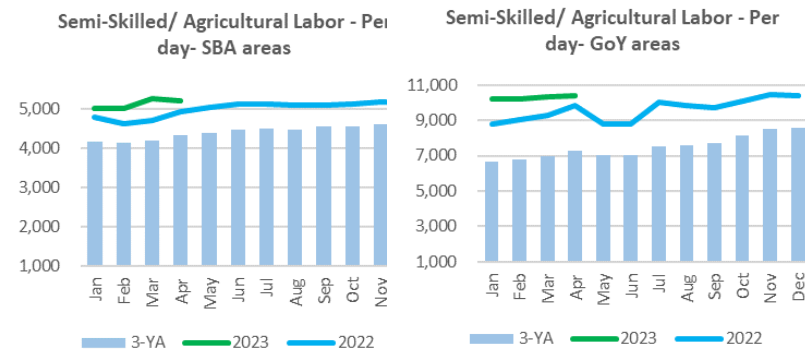
FIGURE 10: Livestock price changes: March 2023 from the 5-year Average (5-YA)



X. LABOUR WAGE RATES

Casual labor rates increased slightly (2 – 5 percent) in April 2023 m-o-m in both areas supported by increased demand during the seasonal land preparation and planting activities in Central Highlands and Southern Uplands. Compared to the same period in 2022, agricultural labor wage rates went up by 12 percent and 11 percent respectively in SBA and GoY areas. However, the purchasing power of households that rely on casual labour is lower because of faster increase in the headline inflation in the last one-year. Casual labour wage rates are higher than three-year average in both GoY (48 percent) and SBA (26 percent) areas.

FIGURE 11: Trends in Daily Casual Labour Wage Rates



XI. TERMS OF TRADE

The terms of trade (casual/ agricultural labor to cereal and sheep to cereal), a measure of purchasing power, was generally stable Month-on-month in SBA areas but increased slightly (3-7 percent) in IRG areas. When compared to the same months in 2022, ToT was higher by about 30 percent in SBA areas as opposed to the GoY controlled areas where the increase was modest (9%), the former supported by increase in casual labour rates and sheep prices (8 -9 percent) against stable wheat flour prices. In general, purchasing power is higher in SBA areas than in GOY areas. During April, a day's worth of casual labor could afford 13 kgs and 11 kgs of wheat grain in SBA and GOY areas while sale of a 12-month-old sheep could afford 114 Kgs and 107 Kgs of wheat flour in SBA and GOY areas respectively.

FIGURE 12: ToT in SBA Areas

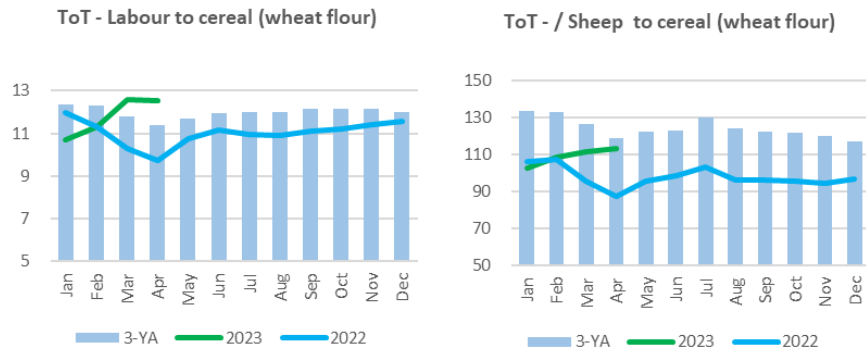
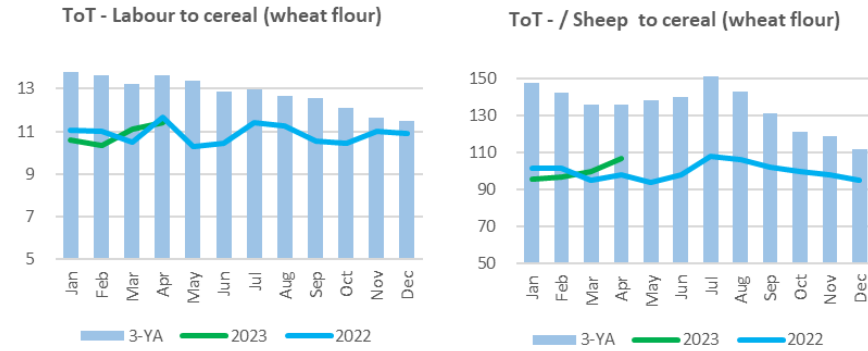


FIGURE 13: ToT in IRG Areas



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