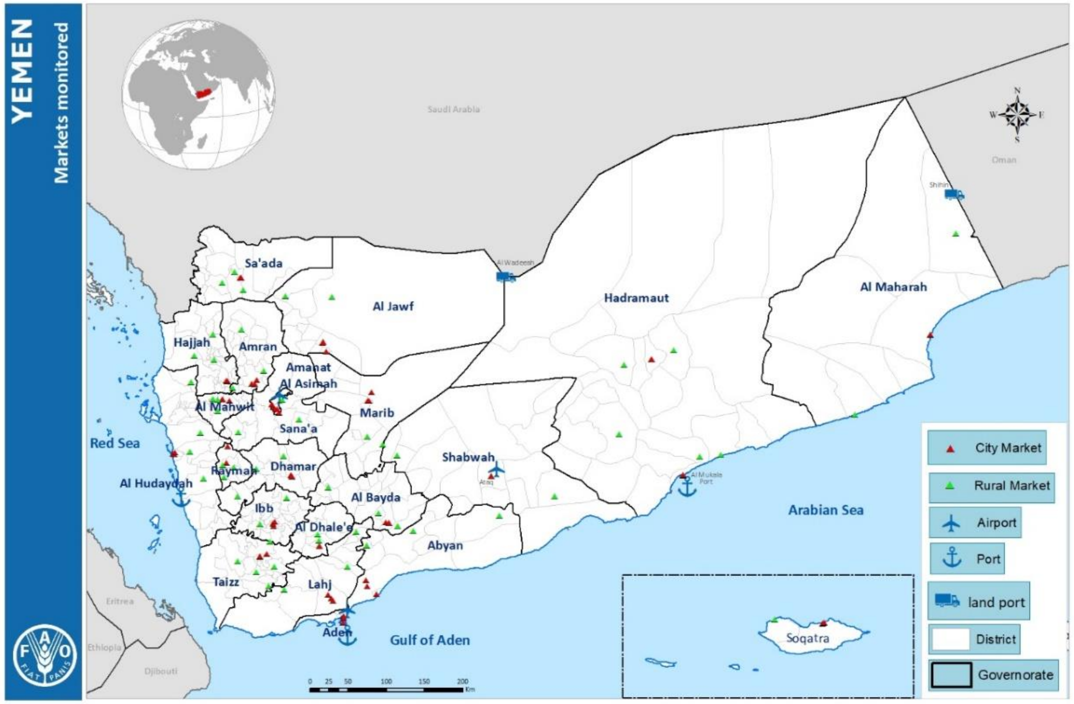
Market & Trade Bulletin, Yemen

March 2023 – Issued 18th May 2023

KEY HIGHLIGHTS

- The cost of the Minimum Food Basket (MFB) in March 2023 reached an average of YER. 115,327 in IRG areas and YER. 54,956 in SBA areas equivalent to about USD110 and 105 USD respectively.
- Generally, the MFB remained relatively stable month-on-month at governorate level except for a 9 percent increase in Al Jawf. When compared to the same month last year, the cost of the MFB increased mostly in IRG areas while remained stable or decreased in SBA Governorates.
- Despite the onset of the month of Ramadan which is associated with typical increase of basic food commodities because of seasonal demand, prices did not go up in SBA areas due to the strict and intensive enforcement of price controls by Authorities. The prices of wheat and rice however increased in the markets in IRG areas because of depreciated currency despite a decline in the global grain markets.
- Even though fuel prices are higher than a year ago and the five-year average country-wide, they remained relatively stable in 2023Q1 except for jumps in the conflict affected front-line markets in Marid, Taizz and AlJawf Governorates.
- Livestock prices during the first quarter of 2023 trended seasonally, remaining relatively stable but 6 and 21 percent higher than their levels last year, respectively, in SBA and IRG areas.
- The terms of trade (labor to cereal & sheep to cereal), increased month-on-month and year-on-year in SBA areas because of faster increase in casual labour rates and livestock prices. In IRG areas, ToT during the reporting month was lower or at par with their levels a year ago. The purchasing power is higher in SBA areas than in IRG areas because of higher cost of cereals.

FIGURE 1- Markets monitored in Yemen.



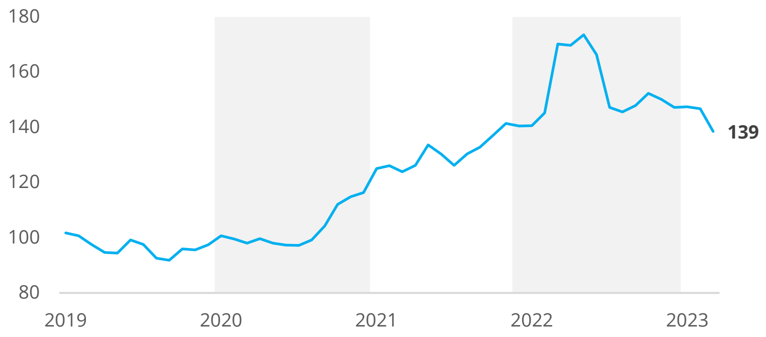
Methodology

The Market and Trade Bulletin is a monthly analysis of the evolution of the key staple food prices and import trade statics in Yemen. The commodity price data collection is on a weekly basis by Governorate Focal Units (GFUs) through Central Statistics Organization (CSO) in 120 rural and urban markets in twenty-two governorates. The import volumes in Hodeidah, Salif, Aden and Mukalla seaports are from the UNVIM shipment/ Port Authorities sources

I. GLOBAL AND DOMESTIC TRADE SITUATION

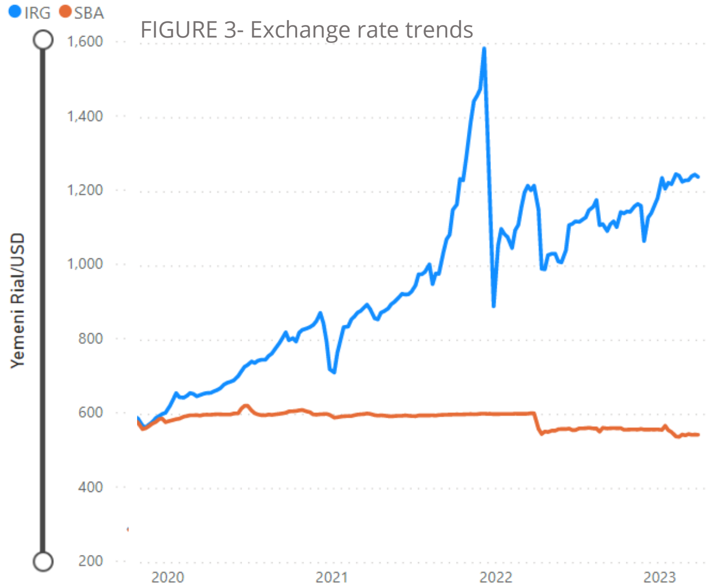
Yemen is highly dependent on imports for its staple food supply, normally 90-95 percent of its staple wheat and 100 percent of rice requirements met through imports[1] and so developments in the global trade and local factors[2] affecting food importation and availability are reflected directly on the prices of key staples in the domestic markets. **Global cereal prices** have been on a declining trend in the last five months through March 2023; the FAO Cereal Price Index was down 5.6 percent from February and 18.6 percent lower than a year ago. The recent m/o/m decrease reflects reduced international prices of wheat prices (7.1 percent) and rice prices (3.2 percent) because of ample global supplies and the former also due to the extension of the Black Sea Grain Initiative. Although key staples are available in the main markets in the country, there has been persistent declines in overall food imports into the country due to currency depreciation (in the south/ IRG) and shortage of dollars. Seasonal food imports (January -February) through Al Hodeidah and As Salif ports (608,000 MT) declined this year by 13 percent compared to the same months in 2022 and 20 percent lower than in 2021[3]. While the seasonal flow of food imports through Aden and Mukalla Ports (195,000 MT) during the first two months of 2023 was 23 percent higher than the same period last year, was 46 percent lower than during the same period in 2021. Wheat and rice prices have been on increasing trends in the markets located in IRG controlled areas driven mainly by currency volatility and high prices of fuel although latter has been decreasing since August 2022. On the other hand, the prices of the two staples have sustained progressive declining trends in SBA controlled areas in the last one-year (from R. 1,041 to R. 979 (6%) for 1 kg of rice and from R. 497 to R. 422 (%) for 1kg of wheat flour in March 2023), supported mainly by relatively stable currency exchange rate and reduced fuel prices.

FIGURE 2- FAO Cereal Price Index
Despite some decrease in recent 5 months, cereal prices remain elevated



Source: FAO Food Price Index

FIGURE 3- Exchange rate trends



[1] FAO
[2] fuel prices, flow and availability of humanitarian assistance, and seasonality (to a very small extent for locally produced cereals, fruits, and vegetables)
[3] WFP Food Security Update (March 2023): https://docs.wfp.org/api/documents/WFP-0000148100/download/

II. FUEL PRICES

Diesel prices remained stable or declined in March 2023 country-wide except for 21 percent increase in Marib, and 3-4 percent jump in parts of Taizz and Aljwaf, primarily because of conflict in the front-line districts. When compared to the same period a year ago, diesel prices decreased remarkably (22 – 60 percent) except for increases in Abyan (16%), Hadramout Inland (36%), and Marib (26%). Generally, fuel prices have been relatively stable and on declining trends in SBA areas as opposed to IRG areas where they have been volatile and increasing. The decline and stability in fuel prices in SBA areas is attributable to historic improved availability of fuel and stable exchange rate. The seaports of Hudaydah and As Salif received an amount of **680,887** MT of various products including gasoline, diesel, Mazot, and others 2023Q1, which is a 400 percent growth in volume of fuel imports through the two ports serving SBA areas.

FIGURE 3a - Diesel prices

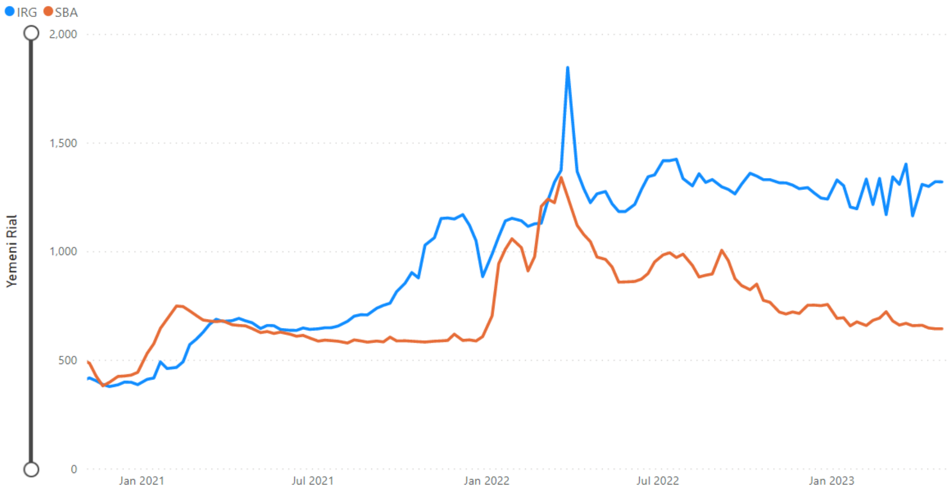


Table 1- Diesel prices & trends

Governatorate	2023 Price	% 1M	% 1Y	% 5-YA
Abyan	1,475	-3%	16%	144%
Aden	1,150	0%	-22%	83%
Al Bayda	610	0%	-47%	2%
Al Dhale'e	1,175	1%	-25%	79%
Al Hudaydah	635	-1%		48%
Al Jawf	1,175	4%		
Al Maharah	1,050	-7%		154%
Al Mahwit	613	-3%	-56%	-5%
Amanat Al Asimah	575	-6%		33%
Amran	604	-1%		35%
Dhamar	588	-6%		39%
Hadramaut (Coastal)	972	-1%	-48%	53%
Hadramaut (Inland)	1,003	-1%	36%	123%
Hajjah	639	0%	-54%	-1%
Ibb	660	0%	-39%	11%
Lahj	1,189	0%	-5%	100%
Marib	873	21%	26%	131%
Raymah	620	1%	-60%	-10%
Sa'ada	576	-4%		47%
Sana'a	678	-6%	13%	53%
Shabwah	1,100	0%	-29%	
Socotra	1,817	1%	82%	294%
Taizz	1,120	3%		139%

FIGURE 3c - Diesel price trends

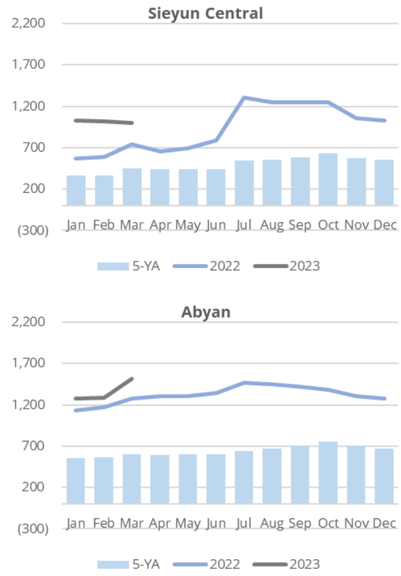
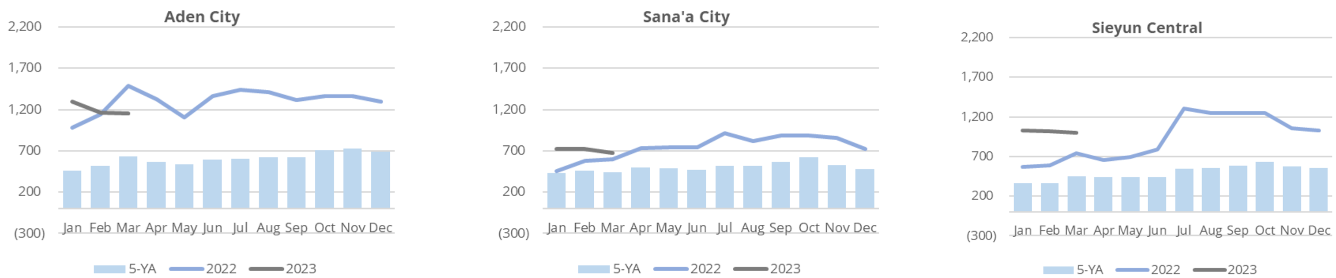


FIGURE 3c - Diesel price trends



III. MINIMUM FOOD BASKET (MFB)

In March 2023, the average per capita monthly cost of the Minimum Food Basket (MFB) reached an average of YER. 115,327 in IRG areas and 54,956 in SBA areas equivalent to about USD 105 and USD 110 in SBA and IRG controlled areas respectively. Despite the onset of the month of Ramadan which is associated with typical increase of basic food commodities, prices did not go up in SBA areas due to the strict and intensive enforcement of price controls by Authorities. The MFB was most expensive (more than YER. 130,00) in Lahj, Shabwa and Aden while least expensive in Taiz (YER. 95,000) IRG areas. In SBA areas, the MFB was most expensive in Sa'ada (YER. 61,622) and least expensive in Raymah (YER. 48,481). Generally, the MFB remained relatively stable month-on-month at governorate level in March 2023 except for a 9 percent increase in Al Jawf, and an equivalent decrease in Al Mahwit. The increase in the cost of the MFB in Al Jawf is because of continued ground fighting in Al Jawf that has disrupted trade and supplies. When compared to the same month last year, the cost of the MFB increased mostly in IRG areas, the highest in Al Jawf (91%), Socotra (54%), Lahj (25%), Sana'a (18%) and somewhat in Hadramant Inland (9%) while remined stable or decreased in the rest of the Governorates. When compared to the five-year average, the increase in the cost of the MFB is significantly higher in IRG areas (127%; more than double) than in SBA areas (44%). At the governorate level, the increase in the cost of the MFB during the reporting month compared to the 5-YA was highest in Al Mahah (223%; more than triple), Al Jawf (177%), Socotra (143%) and Lahj (132%) while lowest in Hajjah (22%), Al Bayda (29%), and Ibb (30%).

FIGURE 4- Minimum Food Basket

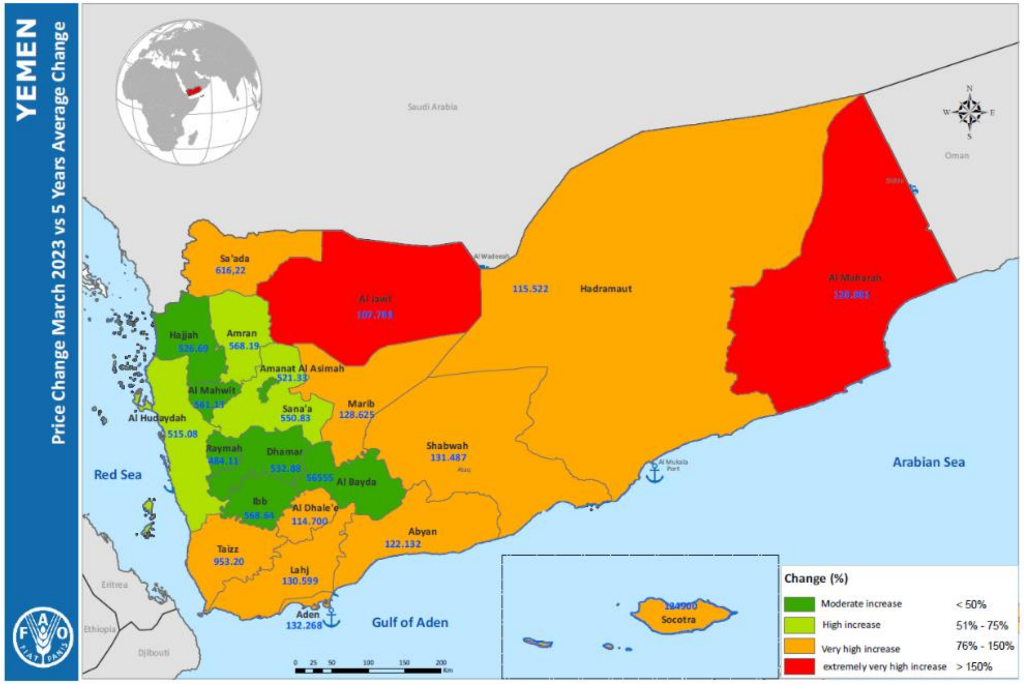
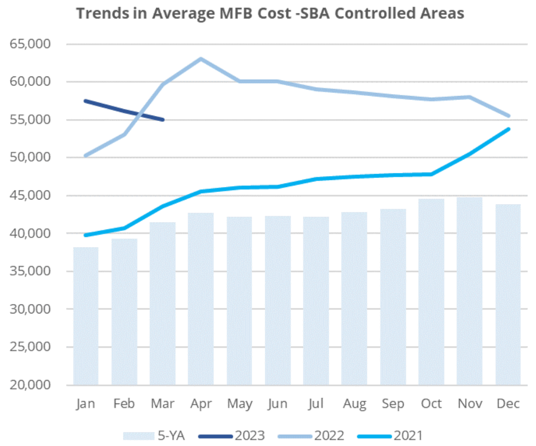


TABLE 1a- Minimum Food Basket

Governatorate	March 2023 MFB	% 1M	% 1Y	% 5-YA
Al Bayda	56,555	-4%	-4%	29%
Al Dhale'e	114,700	0%	-3%	99%
Al Hudaydah	51,508	1%		51%
Al Jawf	107,783	9%	91%	177%
Al Maharah	128,881	0%		223%
Al Mahwit	56,113	-9%	-7%	42%
Amanat Al Asimah	52,133	-1%		43%
Amran	56,819	2%		59%
Dhamar	53,288	-2%		36%
Hadramaut (Coastal)	112,792	-2%	-7%	102%
Hadramaut (Inland)	118,252	0%	9%	120%
Hajjah	52,669	-2%	-19%	22%
Ibb	56,864	0%	-11%	30%
Lahj	130,599	-2%	25%	132%
Marib	128,625	-2%	-13%	114%
Raymah	48,411	-2%	-9%	29%
Sa'ada	61,622	1%		100%
Sana'a	55,083	0%	18%	52%
Shabwah	131,487	-1%	3%	117%
Socotra	124,900	0%	54%	143%
Taizz	95,320	-3%		109%

FIGURE 5- Trends in Minimum Food Basket



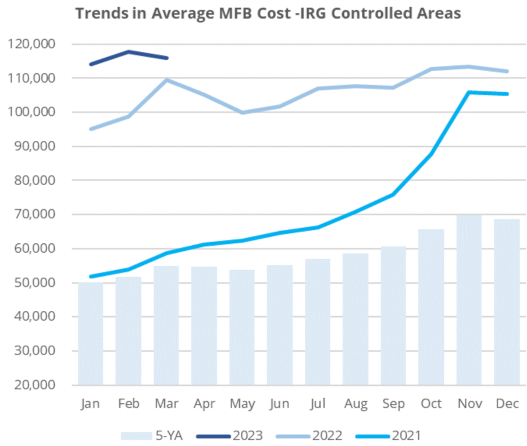
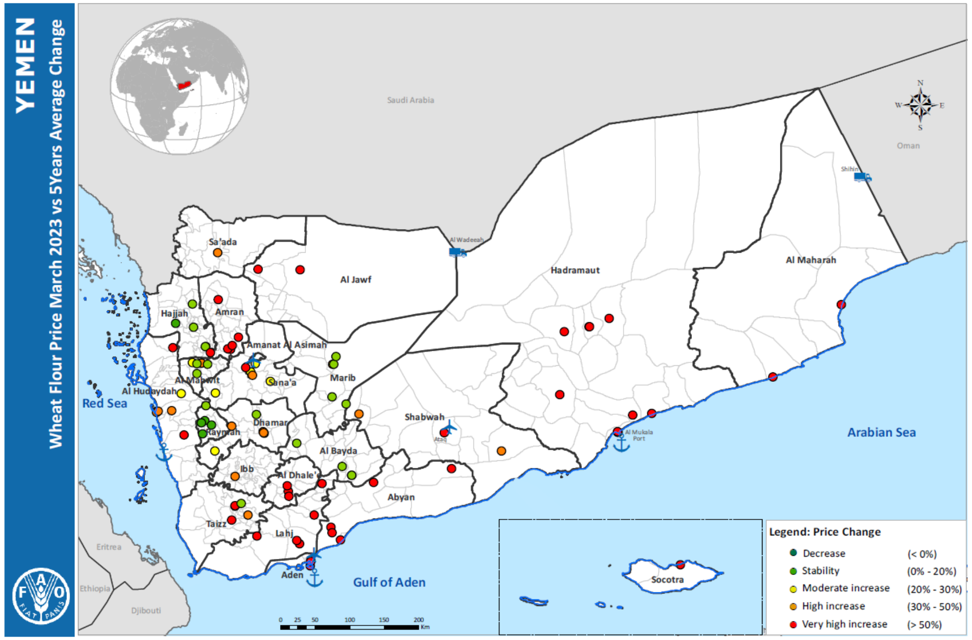


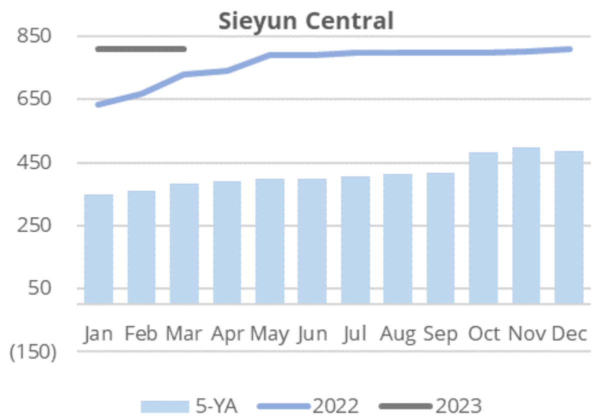
FIGURE 6- Wheat flour price changes: March 2023 from the 5-year Average (5-YA)

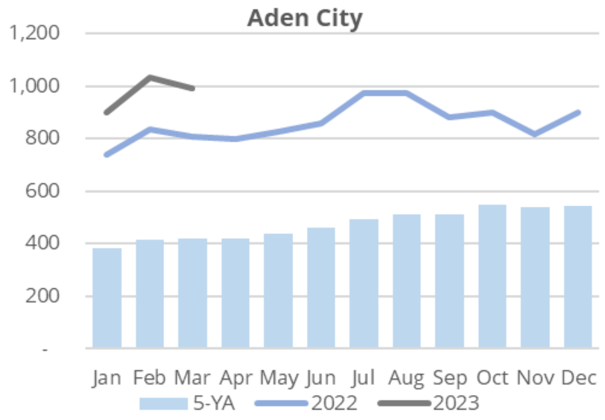


IV. WEAT FLOUR

Overall, staple grain prices including wheat flour/ grains have been on an increasing trend in the last four years and are now more than doubled. The rate of price increase has been more rapid in IRG areas than in SBA areas. The March 2023 prices of wheat flour were relatively stable m-o-m in both IRG and SBA areas except for price jumps of 7 percent in Al Jawf and 17 percent in Amran. Compared to the same month last year, wheat prices increased mostly in IRG areas (16 – 133 percent), the highest in Al Jawf (133%), Socotra (67%), Abyan (27%), Aden (19%), and Lahj (16%). In SBA areas wheat flour prices decreased y-o-y except in Sana'a Governorate where they increased. The wheat flour prices are higher all over the country when compared to the 5-year average, but most significantly in IRG areas (more than doubled) as opposed to SBA areas where the increases are moderate. The highest price increase when compared to the 5-year average were in Al Jawf (242%), Al Mahah (207%), Socotra (148%), Aden (138%) and Abyan (127%). The relatively high prices of wheat in IRG areas are attributable partly to weaker currency (YER), and relatively higher cereal production deficits as opposed to SBA areas where local cereal production comes from highlands (Northern and Central Argo-ecological zones).

FIGURE 7- Trends in Wheat Flour (1kg) price





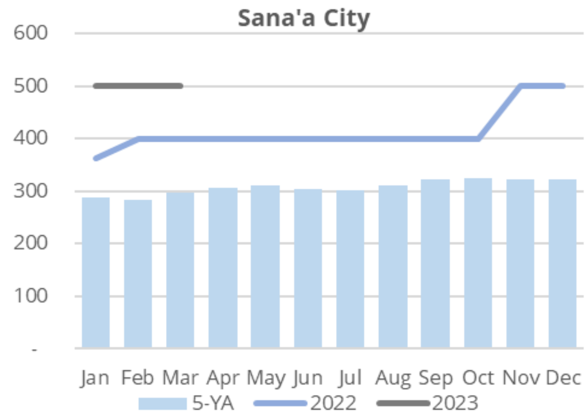


TABLE 2

Governatorate	Imported Wheat Flour - 1 kg (IRG Areas) March 2023	% 1M	% 1Y	% 5-YA
Abyan	905	0%	27%	127%
Aden	992	-5%	19%	138%
Al Dhale'e	900	0%	0%	108%
Al Hudaydah	402	1%		58%
Al Jawf	1,175	7%	133%	242%
Al Maharah	950	0%		207%
Hadramaut (Coastal)	861	-1%	-6%	99%
Hadramaut (Inland)	813	0%	8%	107%
Lahj	953	-2%	16%	117%
Marib	1,030	-5%	-20%	97%
Shabwah	1,100	-2%	0%	0%
Socotra	1,000	0%	67%	148%
Taizz	737	-4%		112%

Governatorate	Imported Wheat Flour - 1 kg (SBA Areas) March 2023	% 1M	% 1Y	% 5-YA
Al Bayda	395	-11%	-12%	20%
Al Mahwit	419	-15%	-9%	34%
Amanat Al Asimah	367	-8%		31%
Amran	500	17%		84%
Dhamar	410	-3%		36%
Hajjah	400	-1%	-21%	18%
Ibb	420	-2%	-11%	30%
Raymah	387	-6%	-13%	25%
Sa'ada	413	0%		59%
Sana'a	500	0%	25%	68%

V. RICE

Rice prices remained relatively stable or declined m/o/m in most of the markets during the reporting month except for 9 – 10 percent decline in Al Bayda and A Dhale'e and a 13 percent increase in Amran Governorate. Compared to the same time last year, rice prices are up (+ 13% to + 96%) predominantly in IRG Governorates, the highest increase in Al Jawf (96%), while declined (9% to 19 percent) in SBA areas. Compared to the five-year average, rice prices were generally higher across the nation but more significantly in IRG areas (48 -115%) as opposed to SBA areas where the increase was somehow modest (7- 15 percent).

TABLE 3 Basmati Rice - 1 kg

Governatorate	March 2023 Price	% 1M	% 1Y	% 5-YA
Abyan	2,025	2%	45%	99%
Aden	2,083	0%	23%	91%
Al Bayda	944	-10%	-6%	1%
Al Dhale'e	2,000	-9%	19%	93%
Al Hudaydah	900	0%		14%
Al Jawf	2,250	2%	96%	115%
Al Maharah	1,981	1%		79%
Al Mahwit	1,000	0%	5%	10%
Amanat Al Asimah	850	-4%		4%
Amran	1,108	13%		15%
Dhamar	981	-3%		11%
Hadramaut (Coastal)	1,819	0%	11%	87%
Hadramaut (Inland)	1,813	0%	6%	48%
Hajjah	967	-1%	-9%	8%
Ibb	967	0%	-10%	7%
Lahj	2,272	3%	26%	100%
Marib	2,030	1%	-19%	40%
Raymah	884	-5%	-9%	1%
Sa'ada	959	0%		15%
Sana'a	1,100	0%	0%	9%
Shabwah	2,000	0%	23%	
Socotra	2,000	0%	33%	52%
Taizz	1,627	1%		66%

FIGURE 8- Rice price changes: March 2023 from the 5-year Average (5-YA)

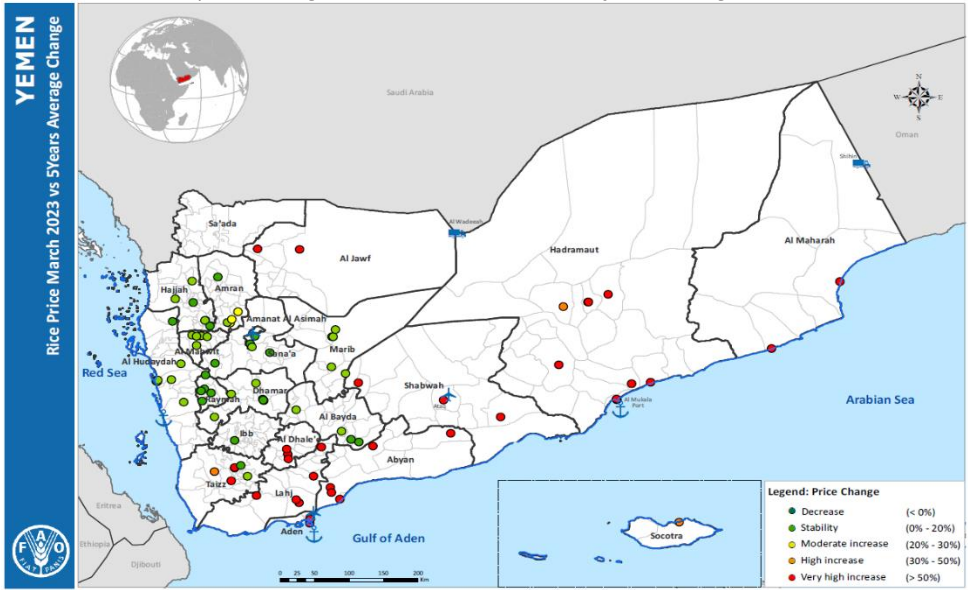
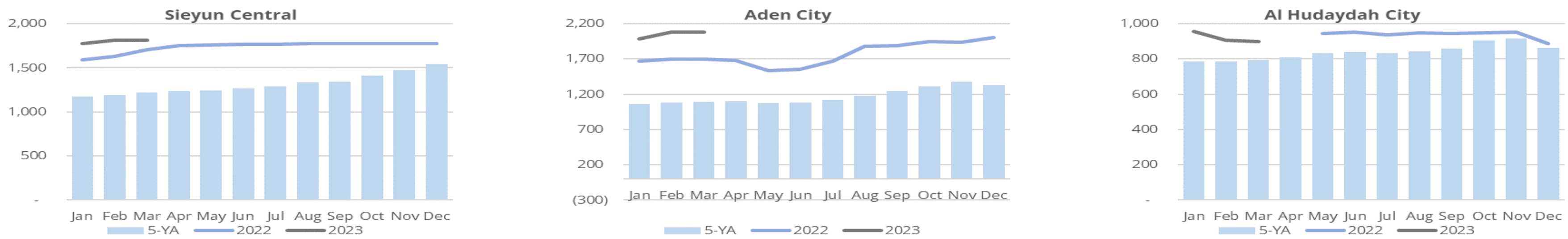


FIGURE 9- Trends in Rice (Basmati, 1 kg) price



VI. BEANS

Beans prices witnessed a continuous price decrease or stability in most markets during the reporting month except atypical increase (14 percent) in the reference markets in Amanat Al Asimah. When compared to the same month last year, beans prices went up sharply in Socotra (76%), Lahej (39%), Abyan (32%), Shabwah (28%), and Raymah (23%) while declined in Sana'a (20%) Aden (14%), and Hajjah (10%). The decrease in beans prices is associated with price controls while the latter decreasing trend is linked to distribution cycles of humanitarian assistance by the main Food Security and Agriculture Cluster (FSAC) Partners which from late 2022 has been more predictable and regular.

FIGURE 10- Trends in Beans (Kidney, 1kg) price

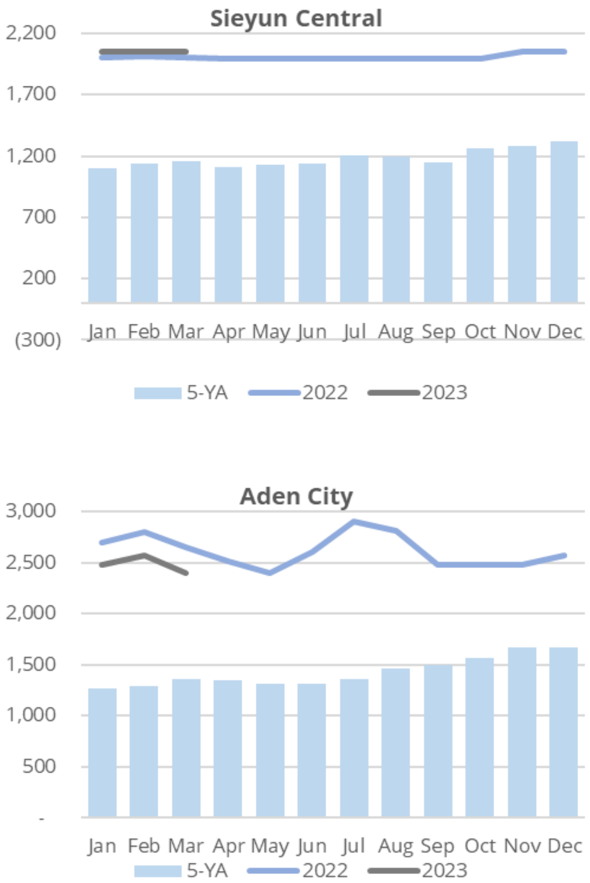
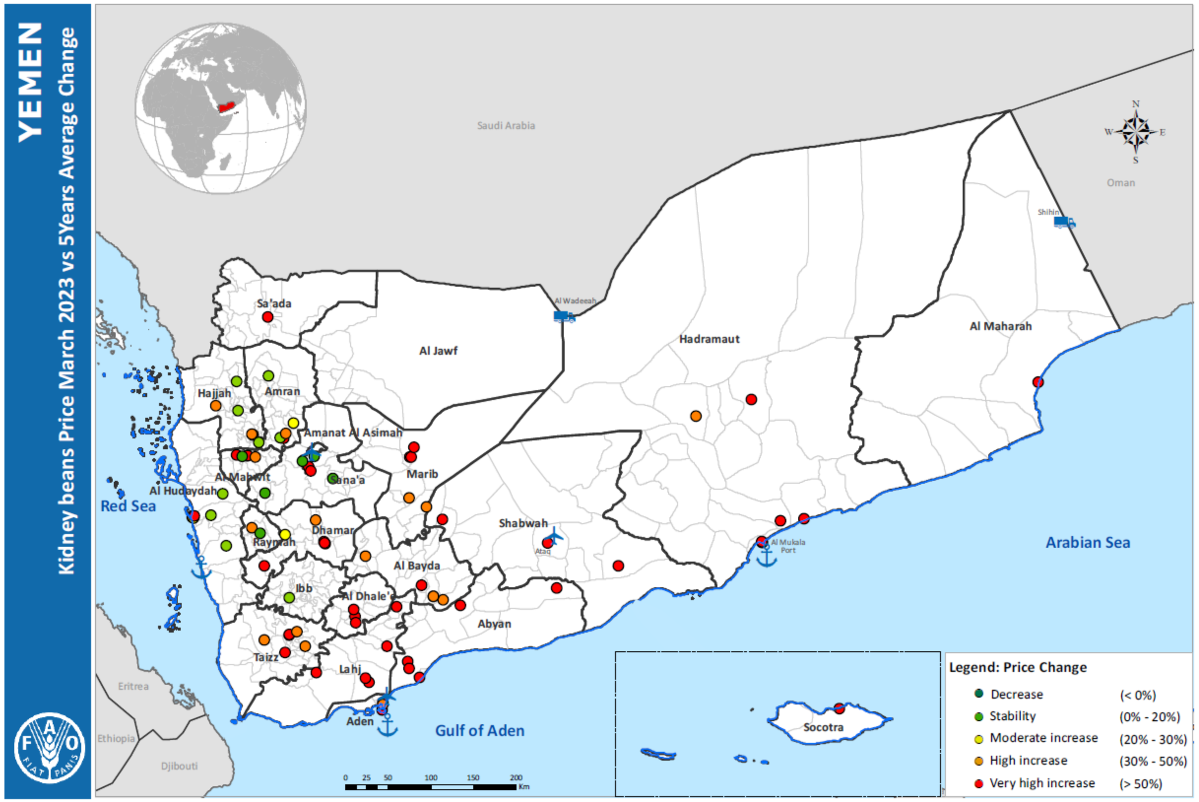


FIGURE 11- Beans price changes: March 2023 from the 5-year Average (5-YA)



VII. 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 (9%) and 24 percent jump in Al Jwaf, the increases linked to insecurity in the front-line districts that has disrupted markets. Cooking oil prices have progressively been increasing in the last three months of the year in Aden City due to increased demand partly linked to Ramadhan. When compared to the corresponding month last year, the price of cooking oil was mixed; went up in Aden (17%), Hadramaut Inland (16%), Lahj (42%), Jawf, and Sanaá (33%) while decreasing or remaining stable in the rest. Imported sunflower oil prices are significantly high in many markets in IRG areas when compared to their five-year average levels; remarkable in Al-Jwaf, Al Maharah (335%), Hadramaut Inland (200%), Lahj (188%), Aden (156%), Marib (151%), Abyan (157%), Socotra (114%) while the increase in SBA areas was somehow moderate (11 -20 percent) in most areas.

FIGURE 12- Cooking oil price changes: March 2023 from the 5-year Average (5-YA)

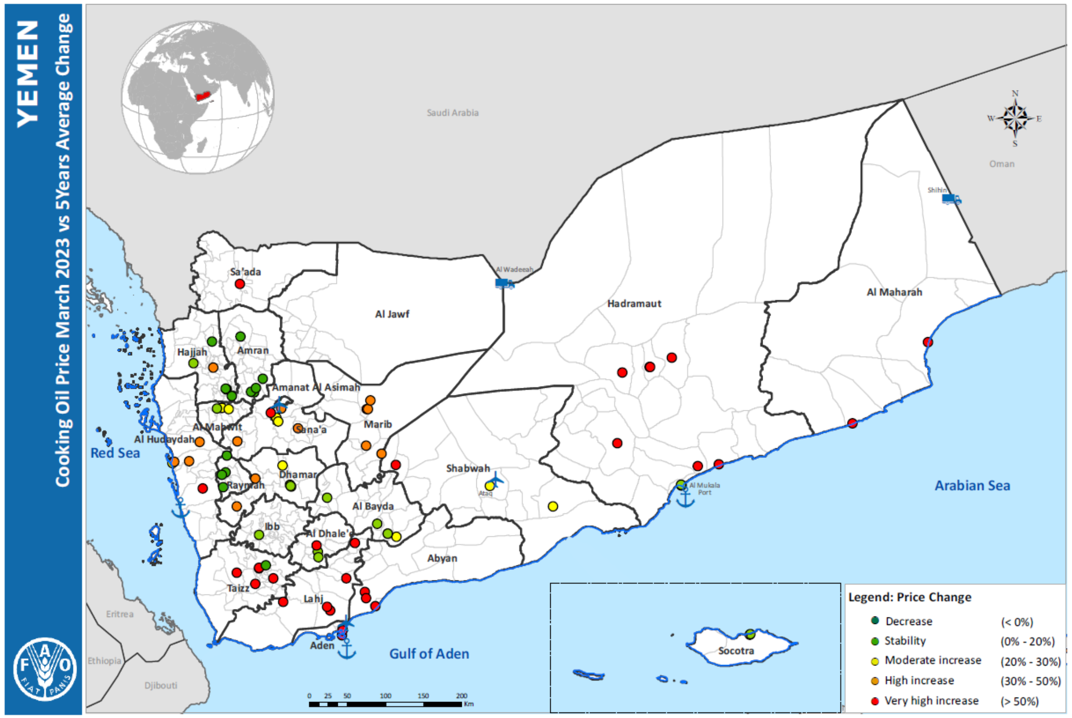


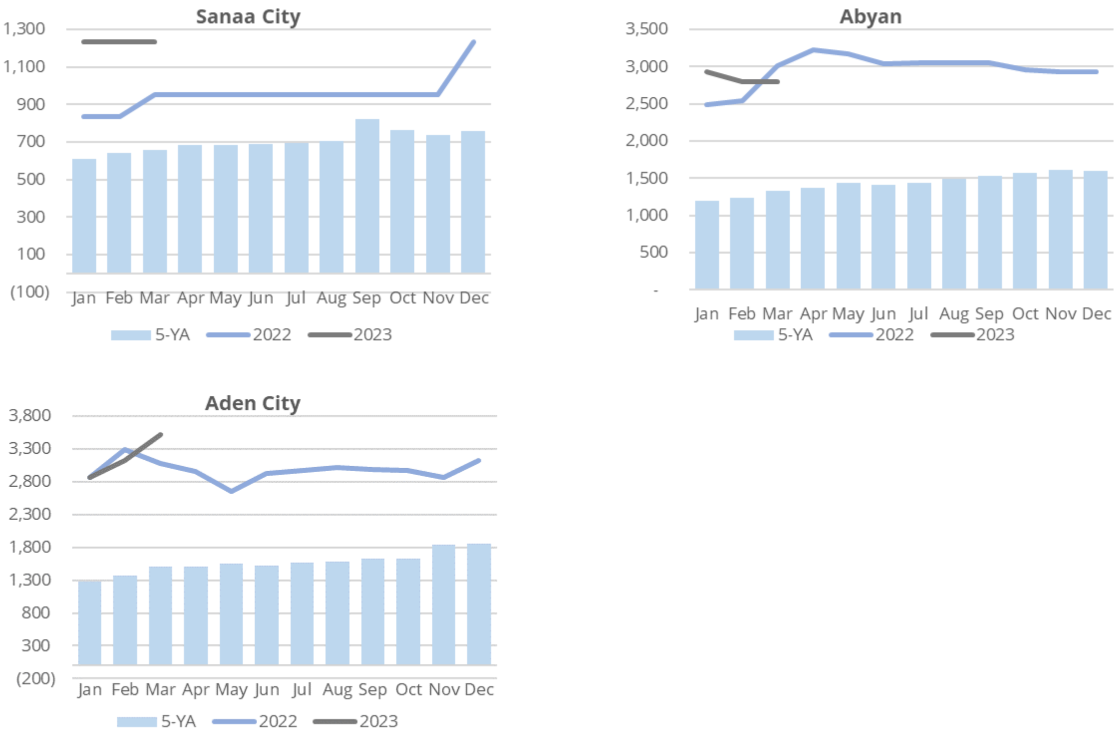
TABLE 4

Imported Kidney Beans (Grain) - 1 kg				
Governatorate	March 2023 Price	% 1M	% 1Y	% 5-YA
Abyan	2,600	1%	32%	144%
Aden	2,400	0%	-14%	76%
Al Bayda	1,420	2%	13%	66%
Al Dhale'e	2,800	0%	12%	131%
Al Hudaydah	1,081	7%		40%
Al Jawf	-			
Al Maharah	3,000	0%		203%
Al Mahwit	1,410	2%	13%	67%
Amanat Al Asimah	1,367	14%		98%
Amran	850	-34%		31%
Dhamar	1,138	-1%		51%
Hadramaut (Coastal)	2,080	0%	16%	121%
Hadramaut (Inland)	2,050	0%	2%	77%
Hajjah	1,206	-2%	-10%	45%
Ibb	1,327	1%	-5%	38%
Lahj	2,347	-5%	39%	117%
Marib	2,860	1%	-1%	148%
Raymah	938	7%	23%	43%
Sa'ada	1,103	0%		107%
Sana'a	600	0%	-20%	-20%
Shabwah	2,480	-1%	28%	
Socotra	3,000	0%	76%	159%
Taizz	2,152	-4%		123%

TABLE 5

Governatorate	March 2023 Price	% 1M	% 1Y	% 5-YA
	Imported Sunflower Oil - 1 L			
Abyan	3,157	4%	5%	137%
Aden	3,861	-2%	17%	156%
Al Bayda	1,412	8%	1%	19%
Al Dhale'e	2,000	0%	-31%	38%
Al Hudaydah	1,154	-2%		48%
Al Jawf	2,067	24%		
Al Maharah	3,094	-1%		335%
Al Mahwit	1,151	-4%	-20%	40%
Amanat Al Asimah	1,200	0%		27%
Amran	1,178	0%		18%
Dhamar	1,222	0%		19%
Hadramaut (Coastal)	3,050	-6%	-24%	92%
Hadramaut (Inland)	4,242	0%	16%	200%
Hajjah	1,154	-3%	-25%	11%
Ibb	1,334	4%	-20%	20%
Lahj	4,036	1%	42%	188%
Marib	2,450	9%	0%	151%
Raymah	1,077	2%	-23%	27%
Sa'ada	2,288	3%		270%
Sana'a	1,267	0%	33%	92%
Shabwah	2,633	0%	-7%	
Socotra	2,125	0%	1%	114%
Taizz	2.023	0%		87%

FIGURE 13- Trends in Cooking Oil (Sunflower, 1 L) price



VIII. LIVESTOCK PRICES

Livestock prices (sheep/ goat) during the first quarter of 2023 trended seasonally, remaining relatively stable in both SBA and IRG areas even though slightly increased in the latter. Notable, the livestock prices are 6 percent and 21 percent higher than their levels last year, respectively, in SBA and IRG areas. When compared to the five year- average, goat and sheep prices were significantly elevated in March 2023 in most markets (19% in SBA and 69% in IRG areas). In general terms llivestock prices were in line with seasonal trends, peaked in July/August nationwide prior to the *Eid al Adha* holidays and festivities. In IRG-controlled areas, livestock price increases were relatively higher than in SBA areas when compared to their levels a year ago and the typical season level (5-YA) because of the general economic crisis effects (inflation and currency volatility) on markets.

IX. LABOUR WAGE RATES

Agricultural casual labor rates increased in March 2023 m-o-m in both IRG (6%), and SBA areas supported by increased demand following the start of the seasonal land preparation activities and planting in January in Central Highlands and Southern Uplands. Compared to the same period in 2022, agricultural labor wage rates grew by 13 percent and 15 percent respectively in SBA and IRG areas. On the other hand, unskilled casual labor other than agricultural labour remained relatively stable m-o-m but increased by 8-9 percent year-on-year. Casual labour wage rates are significantly higher than the five-year average in both IRG (76-91 percent) and SBA (39 – 45 percent) areas. Nonetheless, inflation increased at a faster rate in the last one year (12 percent), resulting in loss of the value of earnings, reduced purchasing power compromising household capacity to access food from markets.

FIGURE 14- Livestock price changes: March 2023 from the 5-year Average (5-YA)

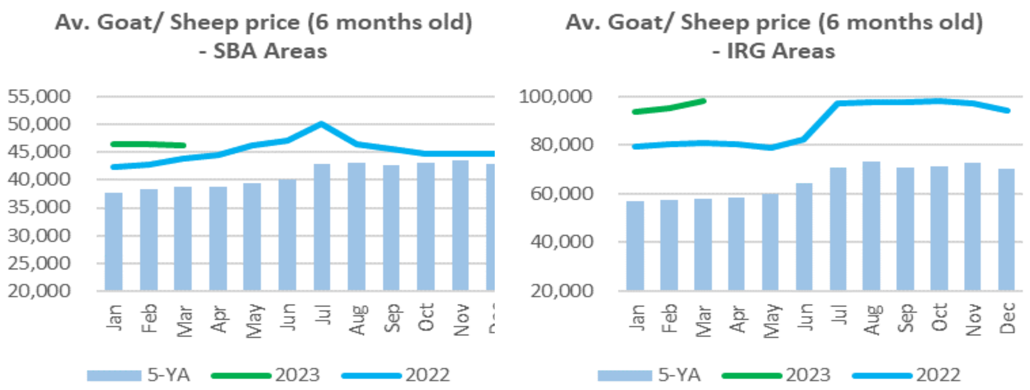
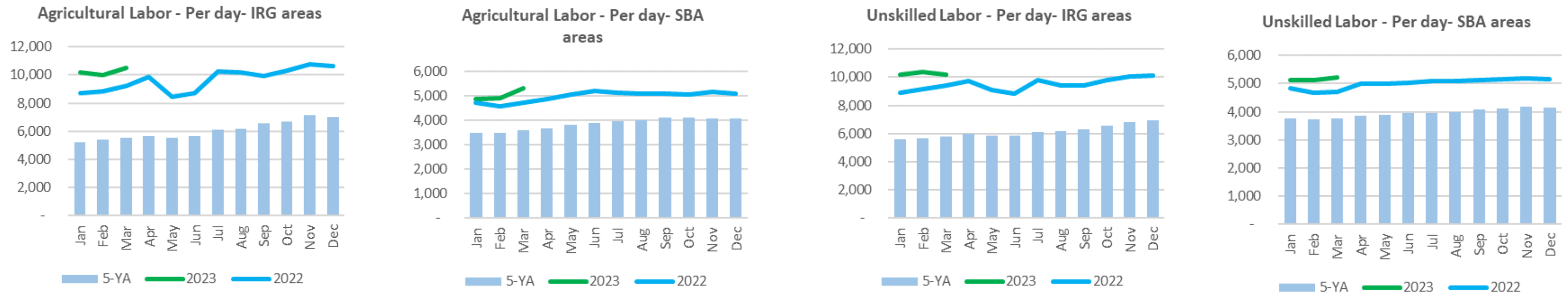


FIGURE 15- Trends in Daily Casual Labour Wage Rates



X. TERMS OF TRADE

The terms of trade (casual/ agricultural labor to cereal and sheep to cereal), a measure of purchasing power, increased month-on-month and when compared to the same months in 2022 in SBA areas. The increase in purchasing power is because of a faster increase in casual labour rates and sheep prices (8 -9 percent) than those of cereal (wheat flour- 4 percent). In IRG areas, however, the ToT during the 2023Q1 was relatively stable month-on-month but lower or nearly at par with their levels last year, the decline because of a faster and rapid increase in the prices of cereal (wheat flour – 17 percent) than those of livestock and casual labor rates (15 percent) over the last one year. In general, purchasing power is higher in SBA areas than in IRG areas. During the reporting month, a day's worth of casual labor could afford 13 kgs and 11 kgs of wheat grain in SBA and IRG areas, respectively. ToT sheep to wheat flour is equivalent to 112 kgs and 100 kgs in SBA and IRG areas respectively. Except for labour to cereal ToT in SBA areas, which is 12 percent more than the 5-YA, the purchasing power is significantly lower when compared to the five-year average, pronouncedly in IRG controlled areas (17-31 percent) than in SBA areas (8 percent).

FIGURE 16- Terms of Trade (ToT) – SBA Areas

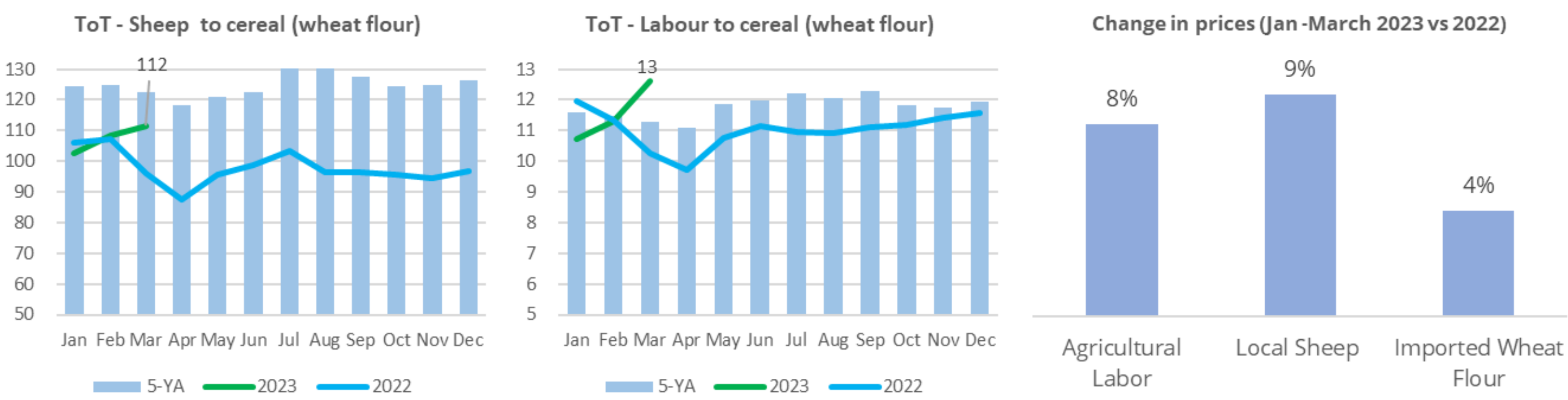
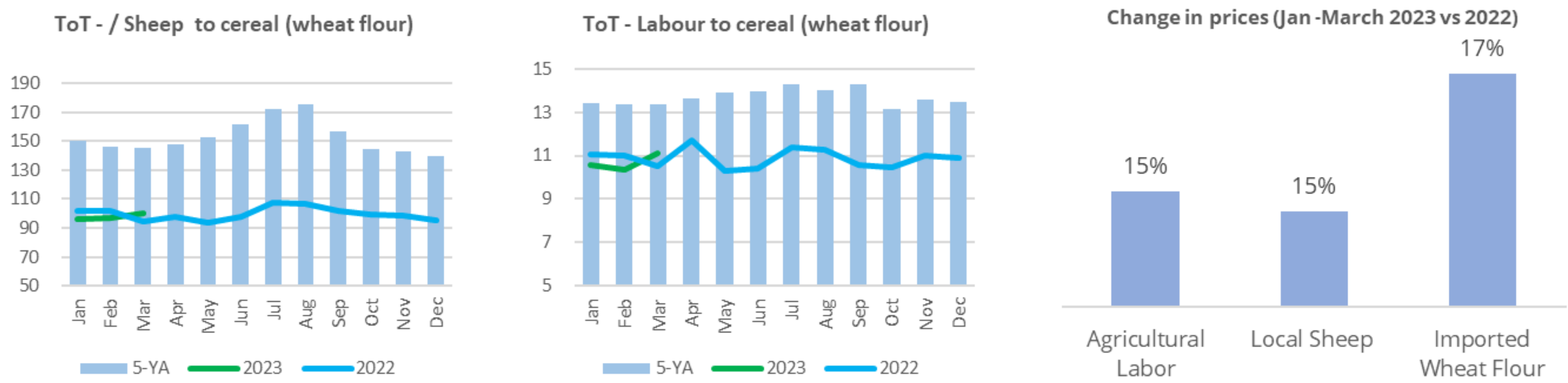


FIGURE 17- Terms of Trade (ToT) in IRG Areas



SYNONYMS

CPI : Consumer Price Index

EU : European Union

FAO : Food and Agriculture Organization of the UN

FSNIS : Food Security and Nutrition Information Systems

GFU : Governorate Focal Unts

IRG : Internationally Recognized Government

KSA : Kingdom of Saudi Arabia

MFB : Minimum Food Basket

M-o-M : Month-on-Month price change

MT : Metric Tonnes

UN : United Nations

USA : United States of America

USD : United States of America Dollar

5-YA : Five-Year Average

YER : Yemen Rial

Y-o-Y : Year-on-Year price change

WFP : World Food Programme

SBA : Sana'a Based Authority

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