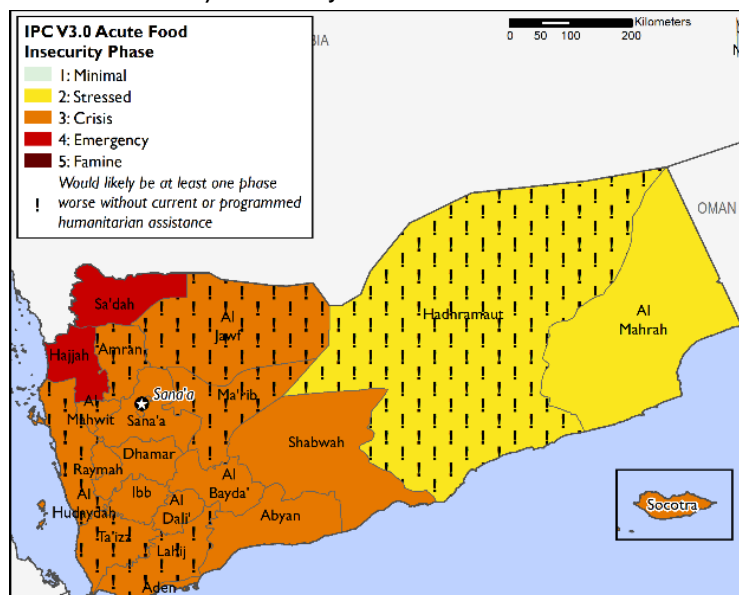


Deteriorating macroeconomic conditions expected to drive further food price increases

KEY MESSAGES

- Ongoing conflict continues to disrupt livelihoods, reduce access to income, and drive poor macroeconomic conditions in Yemen. The Yemeni Rial has been depreciating in recent months, contributing to further increases in already above-average prices of food and non-food commodities. Overall, an estimated 17 to 19 million people are expected to be in need of humanitarian food assistance in 2020. Crisis (IPC Phase 3) and Emergency (IPC Phase 4) outcomes are widespread.
- While not the most likely scenario, Famine (IPC Phase 5) would be possible in the event that food imports are significantly disrupted for a prolonged period of time. Food import levels observed to date in 2020 have been lower than average, a trend that is expected to persist through 2020 due to declining revenue streams. These trends have contributed to the progressively deteriorating food security situation in Yemen, raising the risk that a Famine (IPC Phase 5) could occur should there be a more significant and prolonged disruption to imports.
- Due to the restrictive operating environment and resource constraints, WFP has scaled down assistance such that beneficiaries in northern Houthi-controlled areas are being reached every other month instead of monthly, which has reduced assistance by effectively cutting benefits in half. Previously WFP was reaching around 12 million beneficiaries monthly. However, in April, with the scaling back of assistance in Houthi-controlled areas, WFP reached a total **8.6 million beneficiaries**. As a result of limited ability to compensate for ration cuts, an increasing number of households in Houthi-controlled areas are likely facing difficulty meeting their basic food needs.
- As of June 27, **1,107 cases of COVID-19** had been confirmed in Yemen according to UNOCHA. Available, albeit limited, **information** suggests that Yemen's testing rate per capita is among the lowest in the world, with the scale of the outbreak likely much greater than the figures suggest. According to FAO and key informants, demand for labor has been impacted in some areas, attributed to a combination of fear of COVID-19, some localized internal movement restrictions, and the secondary economic impacts of COVID-19, both globally and locally. However, due to the inexorable need for people to earn daily cash income to cover basic requirements, combined with limited capability around the enforcement of control measures, impacts on labor supply are understood to be minimal. According to FAO monitoring data, wages have not been widely impacted by the secondary effects of COVID-19 and in fact have increased in 2020.

Current food security outcomes, June 2020



Source: FEWS NET

FEWS NET classification is IPC-compatible. IPC-compatible analysis follows key IPC protocols but does not necessarily reflect the consensus of national food security partners.

NATIONAL OVERVIEW

Current Situation

Yemen continues to face the world’s largest humanitarian crisis, with high levels of acute food insecurity driven primarily by conflict, political instability, and poor macroeconomic conditions. Over 17 million people are currently in need of humanitarian assistance to prevent food consumption gaps and protect livelihoods. Meanwhile, Yemen continues to record an increasing number of COVID-19 cases, with anecdotal evidence suggesting that the true extent of the outbreak is worse than that captured by official figures.

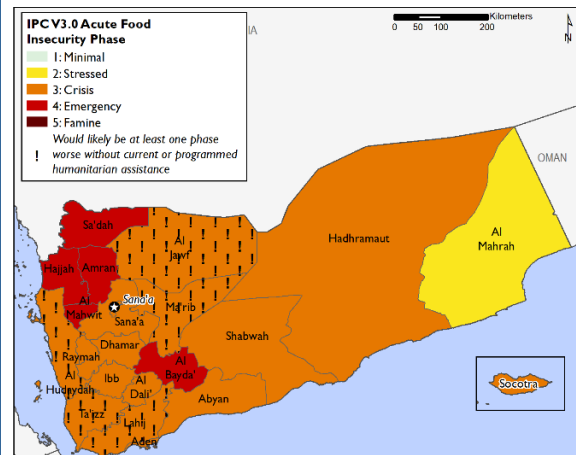
According to [data](#) from ACLED and Intelyse, high levels of conflict continue in Yemen. After decreasing slightly in April, the frequency of airstrikes conducted by the Saudi-led coalition increased in May and the first half of June (Figure 1). Meanwhile, levels of armed conflict on the ground have been decreasing overall in May and June, concurrent with increasing concerns around the spread of COVID-19. Despite this, the front lines remain active in many areas of Yemen. In the south, fighting between the Southern Transitional Council (STC) and Hadi-backed forces—including in Abyan and Al Bayda—is ongoing, amidst the collapse of the Riyadh agreement.

Overall, widespread and persistent conflict across Yemen continues to disrupt typical livelihood activities and drive large-scale displacement. As of June 20, the International Organization for Migration (IOM) had recorded a total **98,382 people (16,397 households) displaced in 2020** across the 13 of 24 governorates monitored. The governorates hosting the highest numbers of displaced people are currently Ma’rib (8,368 households), Al Dali (1,702 households), and Ta’izz (1,393 households), likely driven by conflict within these governorates. While displacements continue to be caused primarily by conflict, **flooding** since the onset of the rainy season in March 2020 has led to periodic increases in displacement. Beyond this, flooding has badly affected thousands of previously displaced households across Yemen, including by destroying shelter and supplies.

Due to impacts of the conflict, macroeconomic conditions continue to deteriorate in Yemen, driven by severe foreign currency shortages. The Yemeni government continues to face difficulty in raising revenue from oil exports (its main foreign exchange earner), likely exacerbated in recent months by lower global oil prices. In 2019, Yemen exported around 50 million barrels of oil, approximately half of pre-crisis 2014 export levels. In addition, the amount of foreign currency available in Yemen has likely declined further due to declining global remittances coupled with the financial situation in Lebanon which has prevented Yemenis from accessing deposits in Lebanese banks. In this context, the Yemeni Rial (YER) has been depreciating continuously in recent months, with a growing gap in exchange rates between northern and southern areas (Figure 2) due to disparate monetary policies. According to FAO, the national average exchange rate reached 664 YER/USD in the first week of June, driven by a sharp depreciation in southern areas to 703 YER/USD. Deteriorating macroeconomic conditions continue to increase food prices and reduce access to income for many Yemenis.

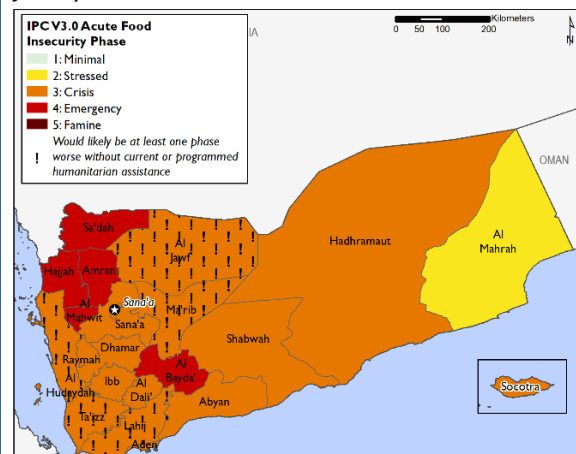
As of June 27, a total **1,107 cases** of COVID-19 had been reported in Yemen according to UNOCHA, with the highest numbers of cases reported in the southern governorates of Hadhramaut (310 cases), Aden (259 cases), and Ta’izz (232 cases). Though

Projected food security outcomes, June to September 2020



Source: FEWS NET

Projected food security outcomes, October 2020 to January 2021



Source: FEWS NET

FEWS NET classification is IPC-compatible. IPC-compatible analysis follows key IPC protocols but does not necessarily reflect the consensus of national food security partners.

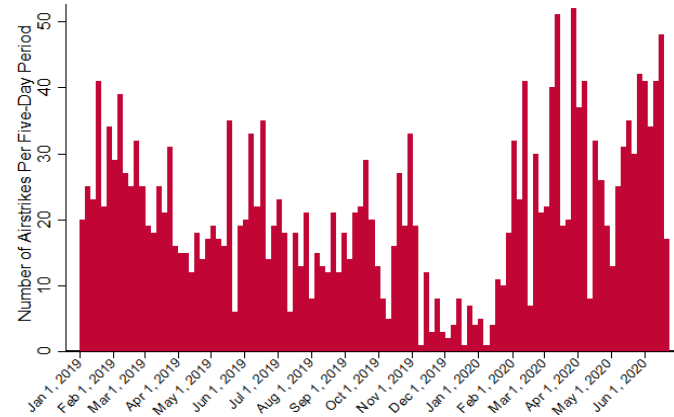
data on the extent of testing is limited, available [information](#) suggests that Yemen’s testing rate per capita is among the lowest in the world. Meanwhile, anecdotal evidence suggests that the true extent of the outbreak is much worse than that reflected by the official figures. On May 17, [Reuters](#) quoted the WHO stating that it was “operating under the assumption that full blown transmission is now occurring.” In southern areas, anecdotal evidence includes reports of patients with COVID-19 symptoms being turned away from hospitals, high numbers of unattributed deaths both within and outside of hospitals, and graveyards becoming full to capacity. [Doctors without Borders reports](#) that most people who arrive at their COVID-19 treatment center in Aden are severe cases, suggesting many more people are sick at home. In northern areas, aid workers, UN employees, and local doctors report that authorities are threatening medical workers (including WHO) and journalists to keep quiet about the spread of the disease. However, some citizens are reporting deaths on social media, and in late May the [largest cemetery in Sana’a closed](#) after reaching capacity. According to [analysis from the Sana’a Center](#), the Houthis’ primary source of revenue is from taxing all forms of economic activity in areas under their control, and any COVID-19 control measures that restrict businesses would be expected to limit these revenue streams.

Remittances from abroad are an important source of income and foreign exchange in Yemen, estimated by the World Bank to have totaled around [3.8 billion USD annually](#) via official channels between 2016 and 2019. Saudi Arabia contributes to approximately [60 percent](#) of Yemen’s remittance inflows through the formal financial system, with the UAE contributing an additional 20 percent. In recent months, the economic slowdown in Saudi Arabia and the UAE due to COVID-19 control measures and declining oil prices has reportedly resulted in significant declines in levels of remittances. Key informants report reductions of up to 50 percent relative to pre-COVID levels in some areas.

Immediately following a ban on the use of new bank notes (printed the Central Bank of Yemen in Aden) in northern Houthi-controlled areas, the Hadi-backed government announced in December 2019 that it would stop paying salaries to northern areas. However, payments were sporadic prior to this announcement, and key informants report that Houthi authorities take responsibility for some civil servant salaries in northern areas. Meanwhile, as of April, the World Bank reported “[delays and limited geographical coverage](#)” in salary payments by the Hadi government to most southern areas as well.

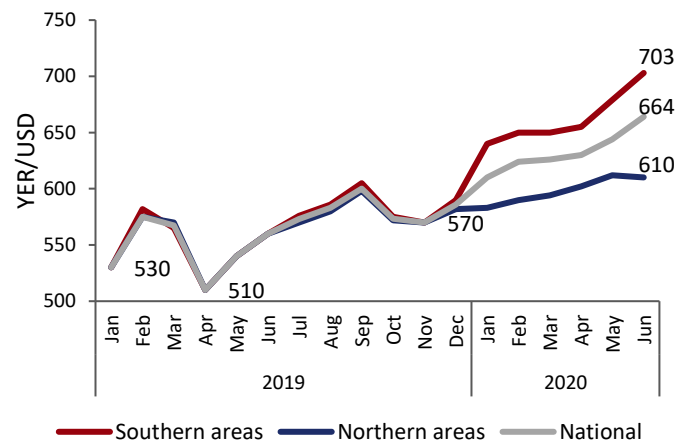
According to key informants, major restrictions on movement between northern and southern areas have been eased. Since the first positive case of COVID-19, some governorate authorities have also imposed temporary measures to limit the spread of the virus. Though information about duration is limited, known areas where curfews have at some point been imposed during the COVID-19 period include Al Mukalla City (Hadhramaut), Aden City (Aden), and Ma’rib governorate. However, reports from key informants suggest that compliance and enforcement have been limited. Meanwhile, known areas where restrictions on movement in and out of the area have been enacted include Ta’izz and Ma’rib governorates, in addition to Aden City. Preventative measures across many areas have also included restrictions on large gatherings and market activity, including some temporary market closures. As a result of some trade disruptions and decreased economic activity due to COVID-19 impacts both globally and domestically, key informants report that businesses and restaurants have reduced

Figure 1. Frequency of airstrikes per five-day period in Yemen, January 1, 2019 to June 20, 2020



Source: FEWS NET, using data from ACLED

Figure 2. Exchange rate in the parallel market (YER/USD), national in and northern and southern areas, through first week of June 2020



Source: FEWS NET, using data from FAO

activity, and demand for labor has contracted in at least some urban areas across Yemen. According to key informants, the government and many big businesses and factories have furloughed or laid off workers. In some rural areas, meanwhile, supply and demand for agricultural labor is below average according to FAO and key informants. This is likely attributable to a combination of fear of infection and some localized internal movement restrictions. However, because people depend on access to daily income to survive, and because enforcement ability of control measures is limited, it is expected that impacts on the labor supply have been minimal overall.

Fuel imports through the Red Sea ports totaled [197,650 tons in May](#), according to UNVIM. While representing a 24 percent decline relative to the previous month, this drop falls within a normal range of volatility. In June, however, UNVIM reported that a record low [8,099 tons](#) of fuel had been imported through the Red Sea ports. For comparison, at the peak of the most recent fuel crisis in September 2019, fuel imports through these ports dipped to 127,632 tons for the month, although no fuel was being unloaded during part of that month.

Fuel prices continued to decline in May, according to FAO. At the national level, the average prices of diesel and petrol each fell 5 percent between April and May, while the price of cooking gas fell 3 percent. However, FAO reported an increase in petrol prices at the national level in the first week of June, rebounding to April 2020 levels. According to [news reports](#), fuel shortages began manifesting in Sana'a during the second week of June. Houthi authorities blame the shortages on blockades by Saudi-backed forces and, according to the Sana'a Center, the Saudi-backed Yemeni government [suspended approvals](#) for tankers to dock throughout the month of June. Meanwhile, the Hadi-aligned southern government is accusing the Houthis of purposefully causing the fuel shortages in order to sell fuel at higher prices on the black market. The fuel sector is an important source of tax revenue for Houthi authorities, and fuel traders in northern areas have [close political ties with these authorities](#). On June 12, 2020, Houthi authorities announced the imposition of a 20 percent tax on all economic activities involving the oil, gas, and fishing industries.

In addition to conflict, crops have been damaged this year by localized flooding and desert locusts, as reflected in the 2020 production forecast. According to [FAO GIEWS](#), cereal production in 2020 is projected to total 365,000 tons, including 160,000 tons of sorghum, 130,000 tons of wheat, 40,000 tons of millet, and 35,000 tons of other cereals. This total projected cereal production is expected to be 5 percent below 2019 production levels and 25 percent below the five-year average. FAO estimates that Yemen's total domestic cereal production contributes less than 20 percent of all utilization needs, while domestic production of wheat—Yemen's key staple—contributes 5-10 percent.

FAO estimates that Yemen's cereal import requirement for 2020 is 4.3 million tons, including 3.2 million tons of wheat, which equates to an average of 267,000 tons of wheat needed per month. FAO estimates that Yemen imported approximately 1.2 million tons of wheat grain and flour through all seaports and land ports between January and May 2020, or an average of 248,000 tons per month during that period. As such, through May 2020, Yemen has not been importing sufficient amounts of wheat to meet the 2020 import requirement. Though food imports through the Red Sea ports did increase to 310,279 tons in May according to UNVIM—a 40 percent increase over the January–April 2020 average— imports of wheat flour and grain through all ports were lower in May relative to the January–April 2020 average.

According to FAO data, the prices of most staple food commodities remained stable between April and May, despite continued depreciation of the currency. Similarly, the overall cost of the minimum food basket rose 1 percent between April and May at the national level. However, the price of staple wheat increased by 7 percent in Hajjah and by 4 percent in Aden.

Meanwhile, according to FAO, wages have generally increased throughout 2020, driven by inflation. Between April and May, wages for unskilled (casual) labor and agricultural labor each increased by 3 percent at the national level, driven by increases in Al Dali' (12 percent and 27 percent, respectively), Ma'rib (23 percent and 4 percent, respectively), and Sana'a City (8 percent and 9 percent, respectively). As a result, the terms of trade between unskilled labor and wheat flour improved by 12 percent in Al Dali, 24 percent in Ma'rib, and 13 percent in Sana'a City. However, in Hajjah, wages for unskilled labor and agricultural labor decreased, by 7 percent and 2 percent, respectively. As a result, TOT deteriorated by 14 percent in Hajjah, to reach the worst levels among all governorates in May, and deteriorated by 4 percent in Aden.

In rural areas, the scale of production of food crops continues to decline due to the conflict. As such, high market dependence for most households combined with high food prices and significantly reduced income earning is resulting in low food access. According to key informants, market purchases (on cash or credit) and humanitarian food assistance are key sources of food, a notable change relative to pre-conflict. However, the harvesting of food crops provides limited seasonal support to rural areas at times throughout the year, particularly in the summer months.

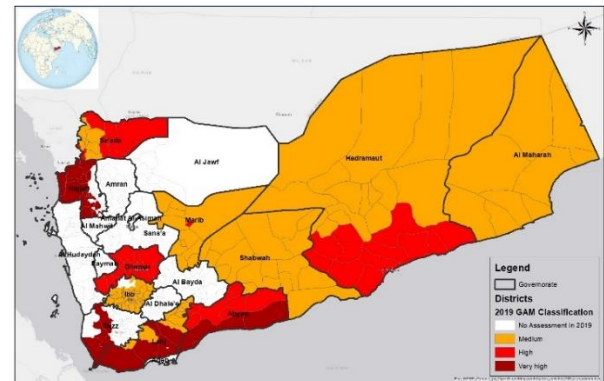
In April, WFP reached 8.6 million beneficiaries with humanitarian food assistance and distributed just over 82,000 MT of in-kind food. This reduction is due to an increasingly restrictive operating environment in northern Houthi-controlled areas and associated funding cuts. Of the roughly 8.5 million beneficiaries previously reached monthly in these areas, half will now be reached each month, on an alternating basis. Given the cuts, affected households in northern areas have lost approximately 40 percent of kilocalorie needs. Earlier in 2020, WFP reached over 12 million beneficiaries per month with approximately 80 percent rations and distributed over 120,000 MT of in-kind food. In April, WFP reported that their operations were continuing largely unhindered by COVID-19. However, school feeding programs had ceased due to the closure of schools.

According to WFP mVAM survey data, 32.7 percent of households surveyed in April 2020 reported inadequate (Poor or Borderline) food consumption (as measured by FCS) at the national level. This figure was similar to previous months in 2020. However, the proportion of households reporting Poor food consumption increased from 8.3 percent in February to 11.2 percent in April. The highest prevalence of Poor food consumption was recorded in Raymah at 27.9 percent, nearly double the proportion reported in February. Meanwhile, the average reduced Coping Strategies Index (rCSI) among surveyed households was 19.7, with the highest values reported in Al Jawf (22.9), Raymah (21.6), Al Mahwit (21.5), Dhamar (21.4), and Hajjah (21.2). In April, approximately 70 percent of surveyed households reported limiting meal portions. It is important to note that these surveys only sample those who have cell phones and are therefore likely subject to response bias. Generally, those with cell phones may be expected to be better off than those without, but variable geographical coverage across each governorate prevents the ability to infer the likely direction of bias.

Due to COVID-19, no SMART surveys have been conducted in 2020. Results of SMART surveys conducted throughout 2019 (Figure 3) indicate that GAM prevalence (WHZ) surpassed the WHO threshold of “very high” [$\geq 15\%$, which is indicative of Emergency (IPC Phase 4) or worse per the IPC reference table] in Hajjah, Ta’izz, Lahij, and Abyan. However, records of methodology and timing of data collection are sparse, and some records from the nutrition cluster indicate that data collection for some 2019 surveys may have been undertaken in 2017-2018. Given the scale-up of HFA throughout late 2019 and 2020 as well as some improvement in food consumption indicators (measured by mVAM) around the same time period, it is likely that prevalence of acute malnutrition has remained steady or decreased slightly in some areas. However, in areas where flooding or other factors have worsened sanitation conditions, increasing malnutrition prevalence may be expected. Meanwhile, despite COVID-19, programs for the treatment of acute malnutrition are largely continuing at normal levels, though the nutrition cluster reports that admissions have decreased in some areas due to fears of COVID-19. However, reporting rates have dropped in 2020, making drawing conclusions about admissions rates difficult.

Overall access to food remains below basic requirements for millions of Yemenis and has decreased further in recent months due to cuts to humanitarian assistance in northern areas and increasing food prices. At the same time, access to income has likely decreased for many households due to declining remittance levels, additional delays and/or nonpayment of civil servant salaries, disrupted business activity (particularly in urban areas), layoffs, reduced casual labor opportunities, and reduced access to agricultural labor opportunities. In this environment, the absence of school feeding programs are likely further stretching households’ resources. Available information suggests that the majority of Yemenis face at least moderate food consumption gaps or are engaging in negative livelihoods-based coping strategies such as selling productive assets in order to meet their food needs. Widespread Crisis (IPC Phase 3) or worse outcomes persist even in the presence of ongoing humanitarian food assistance, with an increasing number of households expected to be facing Emergency (IPC Phase 4) and Catastrophe (IPC Phase 5) following cuts to humanitarian assistance in northern areas. FEWS NET estimates that over 17 million people need emergency food assistance, with poor households and IDPs likely worst affected.

Figure 3. Results of 2019 SMART nutrition surveys¹



Source: Nutrition Cluster

¹ Please note that the color scheme mapped should not be considered in line with the IPC color coding: ‘Medium’ defined as GAM (WHZ) 5-9.9%, indicative of Stressed (IPC Phase 2) per the IPC reference table; ‘High’ defined as GAM (WHZ) 10-14.9%, indicative of Crisis (IPC Phase 3); ‘Very high’ defined as GAM (WHZ) $\geq 15\%$, indicative of Emergency (IPC Phase 4)

Assumptions

The most likely scenario for the June 2020 to January 2021 period is based on the following national-level assumptions:

- Given Yemen's limited health care system and testing capacity, an increase in the number of COVID-19 cases is expected throughout the scenario period.
- Current COVID-19 control measures—including increased screening and quarantine at ports and restrictions at land borders—are expected to remain in place. Additional control measures including curfews, market closures, and temporary internal movement restrictions will likely be implemented in some locations periodically, particularly in areas with known cases. A prolonged total lockdown or other strict restrictions on movement are not anticipated, given limited enforcement ability due to people's need to access income.
- Conflict is anticipated to continue at current high levels. Given historical patterns of failed ceasefire attempts, no ceasefire is anticipated. Conflict-related population displacements are expected to continue at high rates.
- Typical high rainfall amounts are expected throughout much of the country during the remainder of the rainy season through September. Elevated risk of flooding will persist in [low-lying flood-prone areas](#)—including the coastal plains and many population-dense urban areas—through September.
- Road access constraints are likely to persist in conflict-affected western areas. Temporary access constraints are also expected due to flooding through the end of the rainy season in September.
- In the coming months, macroeconomic conditions are likely to continue deteriorating due to [severe currency shortages](#). The average national value of the YER is expected to depreciate steadily throughout the projection period, reaching levels around 950 YER/USD by January 2021 (Figure 4). The gap between exchange rates in northern and southern areas is likely to continue widening, with greater depreciation expected in southern areas. Oil exports are likely to increase slightly in 2020, but the Yemeni government's goal of a 50 percent increase in oil exports relative to 2019 levels is unlikely to be realized. Overall foreign exchange earnings from oil exports are expected to decline given declining global oil prices. No large deposit of foreign currency (similar to the 2 billion USD deposit made by Saudi Arabia in early 2018) is expected in the scenario period.
- Income from civil servant salaries will likely remain below average and further reduce—particularly in northern areas—throughout the projection period. Payment will likely continue to be erratic or absent in many areas due to the Central Bank's lack of adequate financial resources. Income from labor opportunities is also anticipated to decline due to reduced demand for labor.
- The global economic slowdown due to impacts of COVID-19, and particularly reduced economic activity due to control measures in Saudi Arabia and the UAE, is likely to continue to result in reduced inflows of remittances from the diaspora in the near term. However, the IMF projects that economic activity will likely rebound in Saudi Arabia, with remittance levels expected to begin increasing again in the medium term. However, this depends on the absence of a second wave of infection and renewed lockdown measures in Saudi Arabia.
- Overall, food imports through main seaports are expected to continue at levels lower than what has been observed thus far in 2020, with month to month volatility likely. This is largely attributed to traders' lack of access to import financing given declining government revenue and remittances, expectations for continued currency depreciation, and uncertainty over control of government revenue in Aden. A sharp and sustained decline of food imports, to levels significantly below those observed in the first half of 2020, is not expected in the projection period, due to the likelihood that authorities will continue to obtain some revenue, which will be used to prioritize the national food supply. This expectation is supported by the fact that food import levels have not declined sharply thus far in 2020. However, there remains uncertainty around available revenue and this, coupled with the expectation of no external budget support, signals that there remains a risk for sharper declines than currently anticipated.
- Fuel imports over the coming 1-3 months are expected to be well below levels observed from January to May 2020, based on trends observed at Red Sea Ports in June, showing a sharp drop. As a result, fuel shortages and high fuel prices are likely in northern Houthi-controlled areas in the near term. In the medium term, it is expected that pressure to permit fuel imports to resume will result in alleviation of shortages. Meanwhile, increased COVID-19

related screening and quarantine measures at ports are expected to contribute to some supply chain disruptions throughout the scenario period.

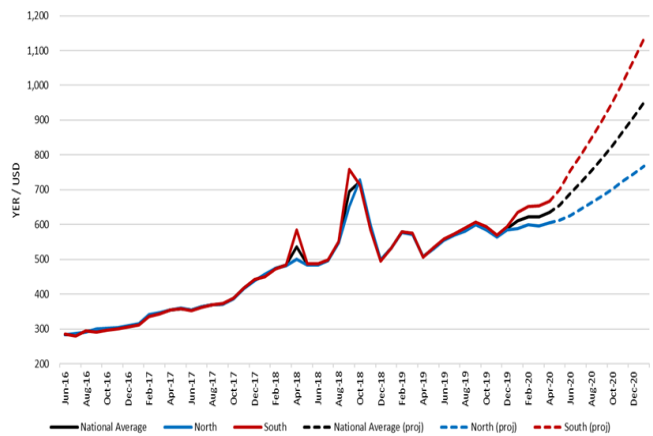
- Informal food flows across land borders are expected to continue at reduced levels relative to the pre-conflict period. Trade across land borders will likely remain difficult due to rising civil insecurity and border closures due to COVID-19.
- Given expectations for food imports, average monthly import levels are expected to be slightly below national requirements.
- Food prices are expected to continue increasing throughout the scenario period (Figure 5), attributed mostly to continued depreciation of the currency. During this time, some additional upward pressure on prices is expected due to gradual and continued reduction of in-country food supply due to lower import levels as well as to sporadic COVID-19 related supply chain delays.
- The June/July cereal harvest in many agricultural areas is expected to be below pre-conflict levels due to the impacts of protracted conflict including displacement, loss of productive assets, declining incentives for agricultural production—including increased prices of fuel and inputs, as well as some localized damage from locusts.
- Fishing along Red Sea coastal areas and on the Gulf of Aden coast will likely remain below pre-conflict levels due to the impacts of protracted conflict including high fuel prices, reduced capacity to purchase fishing assets, and limited access to fishing grounds, especially in the western coastal areas. Income earned from fishing activities in northern areas is expected to further reduce due to the recently announced 20 percent tax on fishing and other industries.

- Throughout the scenario period, beneficiaries reached by WFP with humanitarian food assistance in northern Houthi-controlled areas are expected to receive distributions of approximately 80 percent rations only every other month. Beneficiaries in other areas are expected to continue receiving distributions monthly. Some delays in deliveries are expected as humanitarian partners will continue to face increased restrictions on movement. Access to humanitarian assistance will remain constrained in areas where key trade/access routes have been affected by conflict throughout the outlook period.
- Nutrition support programs including for treatment of moderate acute malnutrition (MAM) and severe acute malnutrition (SAM) are expected to continue operating at current capacity.

Most Likely Food Security Outcomes

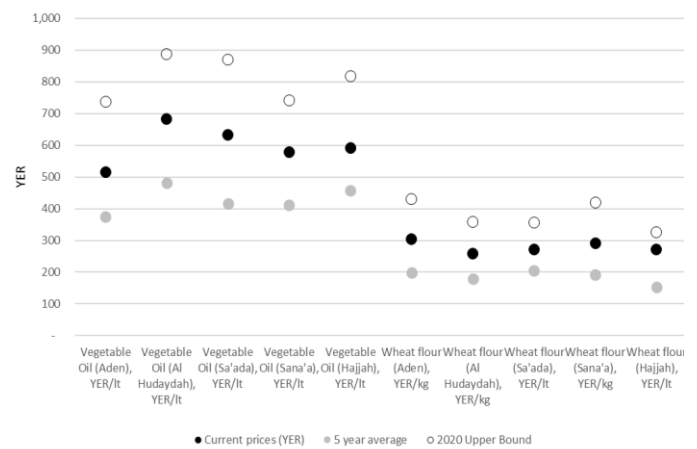
Throughout the projection period, continued conflict and persistent poor macroeconomic conditions will likely continue to disrupt livelihoods, constraining access to food and income. Overall, access to income is expected to reduce somewhat throughout the scenario period, driven by reductions in civil servant salary payments and declining demand for wage labor, as a result of constrained government revenue and COVID-19 impacts on labor availability. From October 2020 to January

Figure 4. Value of YER, observed and projected through January 2021



Source: WFP (observed) and FEWS NET (projections)

Figure 5. FEWS NET price projections



Source: FAO and WFP (observed) and FEWS NET (projections)

2021, remittances from Saudi Arabia and the UAE are expected to recover as normal levels of economic activity gradually resume in these countries. Overall, household food access will likely be increasingly constrained by rising food prices given anticipated depreciation of the currency and declining food import levels. While below-average harvests will provide some rural households with food stocks, contribution to total food needs will be limited and stocks are not expected to have major impacts on food security outcomes. In northern Houthi-controlled areas where beneficiaries of humanitarian assistance are expected to continue receiving reduced levels of assistance, access to food is expected to be most severely constrained.

Most areas of western Yemen are expected to be in Crisis (IPC Phase 3) or Crisis! (IPC Phase 3!) throughout the projection period. However, given available data and most-likely assumptions, deterioration to Emergency (IPC Phase 4) is expected in Amran, Al Mahwit, and Al Bayda, where a high proportion of the population receives humanitarian assistance and available information suggests that a higher number of households may already be in Emergency (IPC Phase 4). An increase in the scale and severity of acute food insecurity is expected in other areas, with additional households likely to deteriorate to Emergency (IPC Phase 4) or worse outcomes, particularly in areas where assistance has been cut. IDP populations and poor households in conflict zones will likely continue to face the most severe food security outcomes. Approximately 18–19 million people are expected to need humanitarian assistance to prevent consumption gaps and protect livelihoods by January 2021.

In a worst-case scenario, significant declines in commercial imports or conflict that cuts off food supply for a prolonged period of time would likely lead to food security outcomes in line with Famine (IPC Phase 5). Given that this significant and prolonged disruption is not expected during the projection period, Famine (IPC Phase 5) *is not* the most likely scenario. However, even in the absence of a sudden shock, the food security situation in Yemen is progressively deteriorating, raising the risk that Famine (IPC Phase 5) could occur should there be a more significant and prolonged disruption to imports.

Events that Might Change the Outlook

Possible events over the next eight months that could change the most-likely scenario:

Area	Event	Impact on food security outcomes
National	Major parties to conflict achieve a lasting ceasefire that improves security and facilitates normalization of livelihood and economic activities	Food access for many households would begin to improve as prices of staple food commodities decline, household access to food and income begins to return to normal, and IDPs begin to return to their areas of origin. Notably, likely inflows of assistance to previously inaccessible areas would improve food security outcomes among worst-affected households. However, additional time would be required before the economy fully stabilizes and major government functions and livelihood activities are able to resume in full.
National	Yemen receives another large injection of hard currency, similar to the 2 billion USD provided by Saudi Arabia in 2018	The exchange rate would be expected to stabilize, with food imports likely to return to previously observed levels. While food prices would not be expected to return to previous levels, further price increases would be moderated. As a result, purchasing power would still be expected to remain reduced for most poor households in areas where price increases have occurred.
National	Food import levels fall dramatically	Food prices would quickly rise and, if prolonged, food availability on local markets would decline. Food security outcomes would worsen with areas likely to deteriorate to Famine (IPC Phase 5) in a worst-case scenario.
National, but especially northern areas	Significant limitation or inability of humanitarian actors to deliver assistance as planned	If significant delays in the delivery of humanitarian assistance in northern Houthi-controlled areas (such that deliveries occur more infrequently than every other month) result in further effective reductions in food assistance—or if changing patterns of conflict, weather shocks, or COVID-19 related movement restrictions significantly disrupt assistance supply chains and humanitarian access—access to food would be further reduced and deterioration would be more rapid.

AREAS OF CONCERN

Hajjah Governorate

Current Situation

Hajjah Governorate is situated in northwestern Yemen and is one of several Houthi-controlled governorates. Millet, sorghum, and wheat are the primary food crops grown, while qat is an important cash crop for better-off households, providing labor income to poor and displaced households. The current outlook period coincides with the end of the lean season and the beginning of the harvest in key growing areas of the governorate. However, typical livelihood strategies and traditional sources of food and income are currently disrupted by protracted conflict.

Armed ground conflict has decreased in 2020, according to data from ACLED. However, the frequency of airstrikes has increased to mid-2019 levels after a lull in late 2019. About 400,000 people in Hajjah are displaced, primarily from Abs and Haradh districts, as well as from Abqaiq, Aflah, Haradh, Hayran, Khurais, Kushar, and Midi Mustabad districts. Multiple large displacements have occurred in the governorate over the past five years, separating households from livelihoods and assets.

Although agricultural production and agricultural wage labor typically contribute an estimated 10-30 percent of total food and income for poor households, agricultural production of food crops has been well below normal in 2020. The cereal harvest is expected to be significantly below pre-conflict levels, attributed to a combination of large population displacement, loss of productive assets, increased cost of agricultural inputs and fuel relative to the pre-conflict period, and some localized crop damage due to locusts and flooding.

While milk production is typically available from March through June, milk output was likely to be below average levels due to significant loss of livestock holdings resulting from population displacement and increased reliance on livestock sales for income over the years. More recently, livestock sales have declined due to export restrictions to markets in Saudi Arabia, enacted to mitigate the spread of COVID-19. Subsequently, livestock farmers have increased the volume of livestock sales to local markets to compensate for income deficits, leading to a reduction in local prices, and eroding the capacity of pastoralists to purchase typical amounts of food and non-food commodities.

While prices of imported wheat flour and wheat grain remained largely stable through most of 2020, some increases occurred in May. Wheat flour prices increased 8 percent from 293 YER/kg in April to 315 YER/kg in May. These prices are 150-200 percent above pre-crisis levels. However, casual and agricultural labor wage rates declined by 7 and 2 percent respectively, driving a 14 percent deterioration in terms of trade between wheat flour and casual labor wages. As a result, these terms of trade in Hajjah were the worst across the country in May. Meanwhile, according to WFP's mVAM mobile phone survey data, about 31 percent of households had difficulty accessing markets in April, the highest proportion across the country, underlining constraints in household food access.

According to FAO data, fuel prices are broadly following global trends. In April, the price of diesel was 17.9 lower than prices six months prior and 3.9 percent lower than prices three months ago. Between April and May, prices of diesel and petrol were steady. However, the price of local cooking fuel declined 21 percent in this time. Fuel (particularly diesel) drives the cost of many livelihood activities including in the agriculture, fishing, transportation, processing, and manufacturing sectors.

According to the Yemen Logistics Cluster, key supply corridors remain disrupted mostly in northwestern areas of the governorate. The corridors running from Al Anaquah to Abs and onward to Haradh, and the Haradh to Al Layn coastal route are largely inaccessible. Ongoing insecurity and road closures in northwestern areas are impeding access to traditional livelihood activities, movement in search of labor opportunities, and access to markets.

According to WFP mVAM survey data, 26.7 percent of surveyed households reported a Poor or Borderline FCS in April 2020, indicative of inadequate food consumption. Although inadequate food consumption has characterized most of 2020, the score had improved from 40.8 percent in November 2019, attributed to substantial increases in humanitarian food assistance in the governorate during the last quarter of 2019. The proportion of households reporting Poor and Borderline food consumption was 36 percent for those who did not receive humanitarian food assistance compared to 28 percent for those who did receive assistance in April 2020. The rCSI was 21.2, among the highest in the country in April 2020, and also higher among those who did not receive assistance at 22.3, compared to 19.8 among those who did access humanitarian food assistance. Both FCS and rCSI are consistent with Crisis (IPC Phase 3) or worse food consumption thresholds. It is important

to note that phone surveys sample only those who have access to cell phones, and geographical coverage in Hajjah is expected to be skewed toward Hajjah City.

The COVID-19 virus has caused substantial concern in Hajjah, which has seven health workers for every 10,000 people—a third of the global average and among the lowest in the country. According to WFP mVAM, Hajjah had the highest proportion of households with at least one working household member receiving less income in April due to COVID-19 impacts.

According to the WHO, Hajjah reported 9,931 cholera cases at the end of May 2020, after recording the highest number of cholera deaths during the first quarter of 2019. The cholera outbreak has stretched already inadequate medical facilities amidst COVID-19 prevention measures, underlining the multiple drivers compounding severity of food insecurity for poor households and IDPs, already facing high levels of malnutrition.

Hajjah governorate experienced flooding in mid-April, affecting an estimated 18,977 people—predominantly IDPs—in the governorate, following earlier recurrent flood damage during 2019. According to OCHA, IDPs in Abs district and Hajjah City lost livestock, crops, and shelters. Yemen Red Crescent, OCHA, and cluster partners delivered non-food interventions to IDPs in both sites in Hajjah Governorates. However, some flood-affected households and IDPs could not be reached immediately.

Humanitarian food assistance cuts in Hajjah and other Houthi-controlled areas of up to 50 percent, as distributions reduced from every month to every two months, have impacted household food security adversely. Impacts of humanitarian assistance cuts are exacerbated by access constraints due to floods, insecurity, and road closures in the governorate, particularly among displaced and poor households. Humanitarian partners reported facing some increased obstacles in delivering humanitarian food assistance in Hajjah during April. However, the UNHCR provided emergency cash assistance to newly displaced households in Hajjah governorate, that were among 10,200 conflict-affected households in Al Jawf, Al Hudaydah, Hajjah, Ma'rib, and Sa'dah governorates.

According to the Yemen Nutrition Cluster, the GAM (WHZ) prevalence in different areas of Hajjah ranged from 15.8 percent (95% CI: 12.1–20.3) in the Northern Interior Lowland to 19.8 percent (95% CI: 16.1–24.3) in the Western Lowland based on surveys conducted in 2019, surpassing the WHO threshold of “very high” malnutrition prevalence. While humanitarian food assistance distributions were scaled up from late 2019 through early 2020, conflict has disrupted livelihoods over an extended period since the conflict started in 2015, while staple food prices have remained well above five-year averages, suggesting that high GAM prevalence has likely persisted through mid-June 2020.

Emergency (IPC Phase 4) outcomes are likely occurring in Hajjah governorate. Displaced and poor households have limited production capacities and rely heavily on markets, yet face significant constraints accessing sufficient food to meet their basic needs. Well above-average food prices and poor terms of trade are likely limiting improvements in purchasing capacity gained from lowered fuel prices. Livelihood options and coping are increasingly limited by COVID-19 restrictions, road closures, and persistent insecurity. While humanitarian food assistance is preventing worse outcomes among beneficiaries, substantial cuts in humanitarian assistance have likely created or exacerbated consumption gaps for a significant proportion of the population, increasing the number of people facing Crisis (IPC Phase 3) or worse outcomes.

Assumptions

In addition to the above national-level assumptions, projected outcomes for Hajjah governorate are based on the following:

- It is expected that conflict will continue in western areas of Hajjah governorate and remain characteristically volatile, but levels of ground conflict will likely remain lower than in 2019. This is anticipated to reduce the rate of population displacements. However, displaced populations will likely remain among the highest in the country.
- Wheat will likely be harvested between July and October, in the Western Central Highland Zone and it is anticipated that during this time, agricultural labor income will increase but will likely be well below normal levels. Locally produced wheat is anticipated to result in marginal price declines in rural markets, post-harvest, but will have little impact on prices and food access at the aggregate level.
- Sale of livestock and livestock products is likely to increase during the outlook period, driven by the need to compensate for widening food gaps due to increased food prices, reduced labor opportunities, and cuts in

humanitarian food assistance. However, overall access to income is likely to be constrained by reduced livestock market prices and limited numbers of livestock among poor and displaced households.

- Fishing activities in the western coastal areas of Hajjah governorate in Abs, Haradh, and Medi districts will likely remain limited due to insecurity as well as lack of fishing equipment.

Most Likely Food Security Outcomes

Emergency (IPC Phase 4) outcomes are likely through the June 2020 to January 2021 outlook period. The upcoming harvests are unlikely to meaningfully mitigate reductions in household food access. Food consumption gaps are expected to increase through January 2021 as household food stocks deplete and food prices increase. Access to key markets will also continue to be constrained by existing road closures, insecurity, increasing transport and transaction costs, and limited labor migration. Substantial cuts in humanitarian food assistance and ration reductions will likely increase the number of households facing Emergency (IPC Phase 4) or worse outcomes. Emergency GAM and SAM prevalence are anticipated to persist through the outlook period, compounded by compromised health status of COVID 19 impacted people, IDPs, coupled with limited access to medical facilities.

Events that Might Change the Outlook

Possible events over the next eight months that could change the most-likely scenario:

Area	Event	Impact on food security outcomes
Hajjah	Major parties to conflict achieve a lasting ceasefire	This would result in unrestricted road access within the governorate. While impacts of the protracted conflict suggests that livelihoods would require several years to move toward pre-crisis productive capacities, some limited improvements in household food security would begin to manifest during the scenario period. Unrestricted road access would also allow movement of labor, traded commodities, and access to typical livelihood activities. Improvements in household food security would lead to Crisis (IPC Phase 3) and some households in Stressed (IPC Phase 2), in the absence of other shocks.
Hajjah	Humanitarian food assistance rations are restored to early 2020 levels	Household food access for poor and displaced households would improve significantly. While impacts of other shocks persist—including conflict, COVID-19 restrictions, and macroeconomic deterioration—household food gaps would likely narrow substantially, resulting in significant improvements in acute food security outcomes to Crisis! (IPC Phase 3!) for many households.

Sa'dah Governorate

Current Situation

Sa'dah Governorate is situated in northwestern Yemen, adjacent to Saudi Arabia, and is a Houthi-controlled governorate. The governorate has one predominant livelihood zone, the *Irrigated Wheat, Fruit, Vegetables, Qat and Livestock Zone*. The major food crops grown include wheat, sorghum, and vegetables. Qat and other cash crops including fruits and vegetables are grown here, mostly by better-off households, and provide labor income to poor and displaced households. Farm households also rear livestock, mostly sheep, goats, and cattle. However, poor and displaced households have limited livestock holdings comprising primarily small ruminants. The current outlook period coincides with the end of the lean season and the beginning of the horticultural harvest in key growing areas of the governorate. However, typical livelihood strategies have been disrupted by protracted conflict.

Sa'dah is at the epicenter of the Houthi versus Saudi-led coalition fighting. According to ACLED data, nearly a third of all airstrikes by the Saudi-led coalition are targeted at Sa'dah, underlining the scale of livelihood disruptions. Civilian casualties from the conflict increased in the first three months of 2020, according to the Civilian Impact and Monitoring Project (CIMP). According to key informants, 67 percent of districts in Sa'dah are affected by conflict-related access constraints, including Al Daher, Shada'a, Baqim, Kitaf wa Al Boqe'e, Monabbih, Qatabir, Razih, Al Hashwah, Haydan, and Saqayn.

Sorghum, barley, and first-season wheat harvesting was recently completed in May. Both staple and cash crop production were well below pre-crisis levels, due to limited access to land, ongoing insecurity, and well above average prices of farm inputs. According to key informants, locusts also caused some localized damage, but overall did not impact production. Successive below-average seasons of agricultural production have reduced normal access to food, while reducing labor income for planting, weeding, and harvesting.

Livestock holdings are lower than pre-crisis levels, attributed to losses through the protracted conflict and increased reliance on livestock sales for income over the years. According to key informants, livestock holdings are also lower than last year. Although livestock sales have declined due to export restrictions to markets in Saudi Arabia, intended to mitigate the spread of COVID-19, households expanded sales to local markets. Increased livestock sales were intended to bridge substantial food gaps arising from reduced humanitarian assistance coupled with higher than average staple food prices.

According to data from FAO, the cost of imported wheat rose marginally to 248 YER/kg in May, compared to 245 YER/kg in April. Given stable wage rates, the terms of trade between wages and wheat flour similarly remained steady. Notwithstanding current food price stability, wheat and staple food prices remain over 150 percent higher than respective five-year averages and compared to pre-crisis levels, indicative of prolonged erosion in household purchasing capacities of poor households and IDPs that have lost substantial production capacities, over several years of conflict.

The price of diesel declined by 3 percent, from YER 354 to YER 345, between April and May in Sa'dah. Fuel (particularly diesel) drives the cost of most other livelihood activities including agriculture, transportation, processing, and manufacturing.

According to the Yemen Logistics Cluster, key supply corridors remain disrupted across the governorate. Ongoing insecurity and road closures along several supply corridors is impeding access to typical livelihood activities, movement in search of labor opportunities, and access to markets. According to mVAM mobile phone survey data, 22 percent of surveyed households in Sa'dah reported facing difficulties accessing markets in April 2020.

According to WFP mVAM survey data, 28.6 percent of surveyed households reported a Poor or Borderline FCS, indicative of inadequate food consumption, in April 2020. This proportion declined from 25–26 percent in late 2019. The proportion of households reporting inadequate food consumption was 35 percent among displaced households compared to 25 percent among non-displaced households. The mean value of the rCSI among surveyed households was 18.6 in April 2020, up from 16 a few months prior. The mean rCSI was 21.7 among displaced households and 16.2 among non-displaced households. The mean rCSI was also substantially higher among households that did not receive humanitarian food assistance, at 22.7, compared to those that received assistance, at 13.3. These data should be interpreted with the understanding that phone surveys sample only those who have access to cell phones, and geographical coverage is expected to be limited.

The rapidly spreading COVID-19 virus has caused substantial concern in Sa'dah governorate, which has eight health workers for every 10,000 people: a third of the global average and among the lowest ratio in the country. According to mVAM reports, over 30 percent of the governorate had no access to health care in April 2020.

Humanitarian food assistance cuts in Sa'dah and other Houthi-controlled areas of up to 50 percent, as distributions reduced from every month to every two months, have impacted household food security adversely. Impacts of humanitarian assistance cuts are exacerbated by access constraints due to insecurity and road closures in the governorate, particularly among displaced and poor households. Humanitarian partners reported facing increased obstacles in delivering humanitarian food assistance in Sa'dah during April. However, UNHCR provided emergency cash assistance to newly displaced households in Sa'dah governorate, that were among 10,200 conflict-affected households in Al Jawf, Al Hudaydah, Hajjah, and Marib governorates. According to key informants, however, it is likely that humanitarian food assistance is likely not reaching Shada'a, Monabbih, Kitaf wa Al Boqe'e, and Baqim districts in Sa'dah governorate.

According to the Yemen Nutrition Cluster, the GAM (WHZ) prevalence in Sa'dah was 6.1 percent (95% CI: 4.5–8.3) in Highland areas and 10.6 percent (95% CI: 8.1–13.7) in Lowland areas based on surveys conducted in 2019. While humanitarian food assistance distributions were scaled up from late 2019 through early 2020, conflict has disrupted livelihoods over an extended period, since 2015, while staple food prices have remained well above five-year averages, suggesting that high GAM prevalence has likely persisted through mid-June 2020.

Emergency (IPC Phase 4) outcomes are likely persisting in Sa'dah governorate, attributed to impacts of protracted conflict disruptions and reductions in humanitarian food assistance among displaced and poor households. Most displaced and poor households who had limited production and purchasing capacities faced significant constraints accessing sufficient food to

meet basic household needs. Livelihood options and coping are increasingly limited by COVID-19 restrictions, road closures, and persistent insecurity. While humanitarian food assistance is preventing worse outcomes among beneficiaries, substantial cuts in humanitarian assistance has created significant consumption gaps for significant populations, expanding populations in Crisis (IPC Phase 3) and Emergency (IPC Phase 4).

Assumptions

In addition to the above national-level assumptions, projected outcomes for Sa'dah governorate are based on the following:

- Conflict is expected to continue in Sa'dah, but levels of ground conflict will likely remain lower than in 2019.
- Horticultural crops are likely to be harvested through July, increasing opportunities for agricultural labor, though these will remain well below normal levels. Locally produced wheat is anticipated to result in marginal price declines in rural markets but will have little impact on prices and food access at the aggregate level.
- Sale of livestock and livestock products is likely to increase during the outlook period, driven by the need to compensate for widening food gaps due to increased food prices, reduced labor opportunities, and cuts in humanitarian food assistance. However, overall access to income is likely to be constrained by reduced livestock market prices and limited numbers of livestock among poor and displaced households.

Most Likely Food Security Outcomes

Sa'dah Governorate is expected to remain in Emergency (IPC Phase 4) through the June 2020 to January 2021 period. Through July/August, households are expected to access income from agricultural labor during the horticultural harvest. However, overall access to income is expected to be below-average. Overall, food consumption gaps are expected to increase through January 2021 as household food stocks deplete and food prices persist well above five-year averages. Access to key markets will also continue to be constrained by existing road closures, insecurity, increasing transport and transaction costs, and limited labor migration. Substantial cuts in humanitarian food assistance and ration reductions will likely increase the number of households facing Emergency (IPC Phase 4) or worse outcomes.

Events that Might Change the Outlook

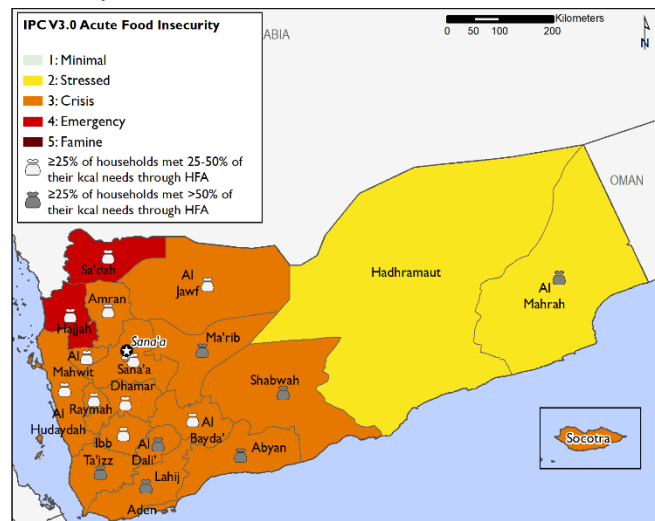
Possible events over the next eight months that could change the most-likely scenario:

Area	Event	Impact on food security outcomes
Sa'dah	The Saudi Arabia border is re-opened	Substantial labor movement and cross-border trade coupled with increased remittances would increase household purchasing power and reduce anticipated food gaps. Household food security would likely improve to Crisis (IPC Phase 3) for many households.
Sa'dah	Major parties to conflict achieve a lasting ceasefire	This would result in unrestricted road access within the governorate. While impacts of the protracted conflict suggests that livelihoods would require several years to move toward pre-crisis productive capacities, some limited improvements in household food security would begin to manifest during the scenario period. Unrestricted road access would also allow movement of labor, traded commodities, and access to typical livelihood activities. Improvements in household food security would lead to Crisis (IPC Phase 3) and some households in Stressed (IPC Phase 2), in the absence of other shocks.
Sa'dah	Humanitarian food assistance rations are restored to early 2020 levels	Household food access for poor and displaced households would improve significantly. While impacts of other shocks persist—including conflict, COVID-19 restrictions, and macroeconomic deterioration—household food gaps would likely narrow substantially, resulting in significant improvements in acute food security outcomes to Crisis! (IPC Phase 3!) for many households.

MOST LIKELY FOOD SECURITY OUTCOMES AND AREAS RECEIVING SIGNIFICANT LEVELS OF HUMANITARIAN ASSISTANCE*

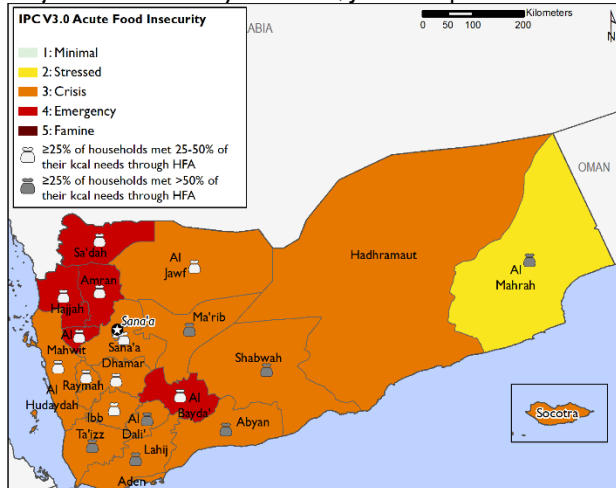
Each of these maps adheres to IPC v3.0 humanitarian assistance mapping protocols and flags where significant levels of humanitarian assistance are being/are expected to be provided. 🏠 indicates that at least 25 percent of households receive on average 25–50 percent of caloric needs from humanitarian food assistance (HFA). 🏠 indicates that at least 25 percent of households receive on average over 50 percent of caloric needs through HFA. This mapping protocol differs from the (!) protocol used in the maps at the top of the report. The use of (!) indicates areas that would likely be at least one phase worse in the absence of current or programed humanitarian assistance.

Current, June 2020



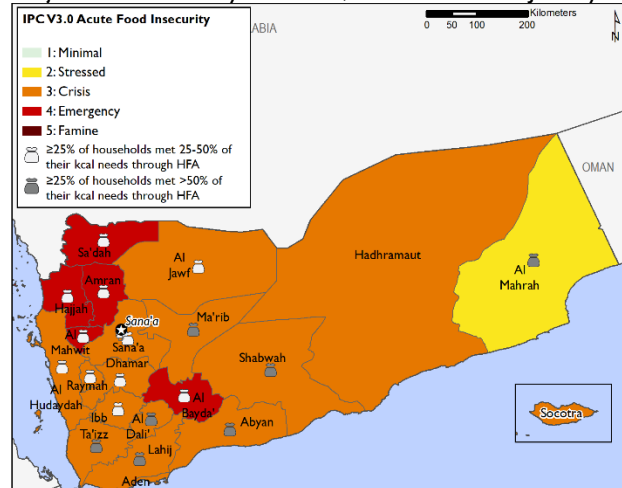
Source: FEWS NET

Projected food security outcomes, June to September 2020



Source: FEWS NET

Projected food security outcomes, October 2020 to January 2021



Source: FEWS NET

FEWS NET classification is IPC-compatible. IPC-compatible analysis follows key IPC protocols but does not necessarily reflect the consensus of national food security partners.

ABOUT SCENARIO DEVELOPMENT

To project food security outcomes, FEWS NET develops a set of assumptions about likely events, their effects, and the probable responses of various actors. FEWS NET analyzes these assumptions in the context of current conditions and local livelihoods to arrive at a most likely scenario for the coming eight months. [Learn more here.](#)