BACKGROUND

- During the month of January the political situation in the country remained unpredictable. President Saleh, who agreed to leave the country for medical treatment, changed his mind in order to wait until the Yemeni parliament granted him immunity from prosecution – one of the conditions of Gulf initiative. At the same time, hundreds of AQAP "militants" entered Raada unopposed, a town a few hundred kilometres from Yemen's capital. They occupied several government buildings, emptied the gaol and took up positions at the military base of the elite Republican Guard, which is led by the former President's son, Ahmed, a key figure for the US on counter-terror operations in Yemen.

- The Yemeni Parliament granted President Saleh and his followers immunity against prosecution for the period of President Saleh's rule (33 Years). President Saleh then left Yemen for the Sultanate of Oman and after a few days continued his journey to the USA for medical treatment.

- The protests against the GCC agreement/settlement across Yemen continue daily. They are demanding complete regime change and a transitional council to guide the shift to a parliamentary system.

- Supplies of electricity are gradually improving and the average power supply is now 6 hours a day.

- Although the prices of some of main food commodities have decreased they remain higher than they were in January 2011 and continue to have a negative effect on the average Yemeni household.

- A recent study by Oxfam and Islamic Relief concluded that Yemen is slipping into severe food security. The study revealed that some people are not eating for three days and that some are living only on bread and tea.

MAIN PRICE TRENDS

- The exchange rate of the Yemen Riyal in the black market, 222 YR, is getting closer to the official government exchange rate is 218 YR.
The average price of 18 KG cooking gas cylinder in the black market is still about 150% higher than the official price which is 1000 YR. The current average price for gas cylinder is 2500 YR.

Although fuel supplies have generally improved, the supply of the highest quality fuel (petrol) remains irregular. Prices are now 133% higher than they were in April 2011. This has led to an increase in the cost of public transport (i.e. for buses, taxis, etc.) which have increased by 100% and 200% in urban and rural areas respectively since April 2011 (VAM study in May 2011).

In the month of January, 2012, overall prices of sugar and vegetable oil have decreased by 6% and 16% respectively compared with December 2011. The price of wheat flour has been increased by 6% over the same period. The prices of wheat flour, sugar and vegetable oil remain 28%, 22% and 19% higher than they were in January 2011. The average price of Vietnamese rice in January 2012 is 9% lower than the price in January 2011.

OTHER ISSUES IMPACTING FOOD SECURITY

- Climatic conditions
The country has experienced a dry climate in the month of January and no rainfall reported in any place in the country. That is quite normal during this time of the year.

- Political (policy/conflict)
Though President Saleh has left the country according to the Gulf initiative, the new conciliation government of Yemen is experiencing quite strong challenges. AQ remains active in the southern governorate of Abyan as well in the governorate of Al Baidha. Armed conflicts between the Al Houthies and the Salafie continue in Sa’ada governorate which is now controlled by the Al Houthies. The conflict has extended into the northern districts of Hajjah Governorate where the Al Houthies and the tribes of Hajja are now fighting — leading to further displacement. Furthermore, the separatist movement in the southern governorates appears to be gaining strength.

- Human and animal disease outbreaks
No human or animal diseases have been reported during the month of January 2012.
PRELIMINARY INSIGHTS ON EFFECTS AT THE HOUSEHOLD/COMMUNITY LEVEL

• Purchasing power
Yemen imports 90% of its basic food commodity requirements. The prices of basic foodstuffs are therefore highly vulnerable to movements in the international market price. Given that 96% of Yemeni households are net food buyers and extremely poor, food prices are a significant determinant of household food security. The gradual increase in the prices of the main food commodities has mainly reduced the purchasing power of the most severely food insecure families. These families currently devote 30-35% of their income to purchase bread alone and the inflation of bread prices could prove devastating. Moreover, due to the recent political crisis, the availability of commodities in some areas became an issue, further exacerbating the increase in household food insecurity.

Coping strategy and possible consequences
A field exercise conducted some months ago in some of the most food-insecure governorates of Yemen revealed that households are opting for negative coping strategies, such as the reduction of meal sizes, buying cheaper and less preferred foods, reducing consumption of meat/fish, borrowing and buying food on credit, chewing qat and skipping meals entirely. Those households whose livelihoods do not include qat production opted for even more severe coping mechanisms, such as reducing their number of meals, avoiding all consumption of meat/fish and fasting. All these data has been confirmed by short study done by Oxfam during the crisis last year, 2011.

• Variations in food consumption patterns and possible consequences
A follow-up assessment to the WFP's 2010 Comprehensive Food Security Survey took place in November/December 2011. Until the analysis which is planned in February/March, there will be no immediate data available to assess food consumption patterns as the national level.