

Food Security in Egypt

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Egypt spends about 3% of its budget subsidising bread for about three-quarters of its population. Threats to that subsidy provoke massive civil unrest, helping to topple the regime in 2011. As a result, bread and wheat are fundamental to the government's security and that of the people of Egypt.

The main rallying cry of the crowds was "Bread, freedom and social justice." Jessica Barnes told me what that signified

Jessica: What that speaks to is both the material and symbolic significance in Egypt. I don't think the language shapes how people think about the bread, but I think the language is a reflection of the central significance of this food in people's lives.

And, you know, it was such a current refrain when I was talking with people about my work, when I'd say I was interested in bread. Almost everyone, whether I was talking to a taxi driver or a policy maker or a food activist, they would all say [Arabic for bread is life]. And in Egypt, bread is life. They were partly drawing attention to the fact that in Egypt, in colloquial Arabic, in Egyptian dialect, this is the word 'aish is the word that's used to refer to bread, and it's also the word for life. But I think they were also pointing to this kind of central significance of bread in Egyptian daily life.

It's eaten by roughly 72 million people on a daily basis. These are families who can really often afford little other than bread. And this source of cheap, decent calories that can fill the belly is really of profound significance. A meal, it's eaten, a plate of cheese and some olives or a few eggs can become a meal for eight, if you have a large stack of bread beside it. So it's really difficult to overstate the significance of this bread. Egyptians that have become accustomed to within most Egyptians lifestyle, like as long as most Egyptians can remember, this bread has been subsidised and available for this very cheap price.

Jeremy: So how, I mean from a from a sort of bird's eye view — we'll get into details in a minute — but from a bird's eye view, how does it operate? How does one go about getting subsidised bread?

Jessica: Well, it used to be that anyone could go up to a bakery and get bread for this very cheap price. It's five piastres a loaf; that's about a fifth of a US cent at the current exchange rate. Over the last decade or so, they've introduced some changes to the program. And now how it works is that you have to have a ration card, and there are a series of criteria that determine whether or not you're able to obtain one of these ration cards. And then you go to a bakery. These are sort of small scale bakeries that are dotted around urban and rural areas that have special licenses from the government to produce this bread. You go to one of these bakeries, you hand over your card, you ask for the number of loaves that you want. Each person is entitled to up to five loaves a day. And they are made from quite a dark flour. So they're relatively filling. Certainly five would fill you up quite substantially.

Jeremy: The government has to provide this bread. It's quite a large cost for it. And half the wheat, we'll come back to this, but half the wheat is provided by Egyptian farmers and roughly half of it they buy on the open market. And I read in your book that they are the biggest purchasers of wheat in the world. Is that right?

Jessica: Yes. One of them. You know, the precise sort of ordering changes a little bit from year to year. But certainly Egypt is one of the largest importers in the world. And the government agency that's responsible for importing wheat to Egypt is the largest buyer in the world.

Jeremy: I mean, that gives them enormous power, I would have thought. I mean, they can surely they can get wheat at a very low cost as a result.

Jessica: It gives them enormous power, but also enormous vulnerability. So it's an interesting kind of juxtaposition there.

Jeremy: How do they manage to keep the price of bread at home low when the price they're having to pay on the market might be very high? I mean, like after after the invasion of Ukraine. Is there anything they can do about that?

Jessica: Well, this is a central tension to the government and it is something that international policy experts and people at the World Bank and the IMF and other international financial institutions have been talking about for a long time. And the price of bread hasn't changed since 1989. Now, there have been some small changes in the bread programme, so actually the bread has got a little bit smaller. So in effect, you can think of that as a price increase. But this five piastre price has taken on this real deep significance in Egypt. It's become a real marker of the government's support to the people. And there's a lot of political significance attached to this five piastre loaf.

So far, how that has played out has been that the government has shouldered the cost of any increase in wheat prices. So just as an example, it used to be that the government would reimburse the bakeries that produces bread, because it's private bakeries that produces bread, it used to be that they would reimburse them 50 piastres for every loaf that they sold at five piastres a loaf. So that was the estimated cost of production. It's now estimated that it costs 80 piastres to produce a loaf of bread, because the wheat has got more expensive. And as a result, the government's having to reimburse them that bit more for every loaf that they sell at that price. So the government shoulders this cost. And this has been a big concern with the war in Ukraine and has led the government to access some more loans through international financial institutions. It signed a new loan agreement with the World Bank and with the IMF, both of which are specifically about covering the costs of this subsidised bread programme, among other things.

Jeremy: Let me step back a minute. You you talk about staple security, and I think we understand that that a staple is something that makes a meal, without which a meal isn't really a meal, that people depend on it. But as far as security goes, how do you think the government views security in the bread realm?

Jessica: I think the government absolutely sees bread and wheat as matters of national security. What I came to see as I did this research was how heavily all discussions of wheat and bread were underpinned by understandings of and fears of the threat of, sort of existential threat, and discourses about security. So I think absolutely, the government sees this as a national security issue, and it's talked about in a very explicit way by government officials. So there's the concern about reliance on foreign wheat, a bit like how you hear in America

this rhetoric about the kind of dangers of reliance on foreign oil. There's a concern about having enough wheat in stock, that it's important to have silos full so that you can feel secure as a nation. There's definitely a sense that if they interrupted the supply of the subsidised bread programme that feeds so many Egyptians on a daily basis, that that could be a source of instability that could threaten the regime. So I think it's a very present rhetoric surrounding wheat and bread in Egypt.

Jeremy: There are a couple of really interesting things when you think about this in terms of security. I mean, one is that it's you're never actually secure. I mean, you can't just stop and carry on because tomorrow you're going to eat some of the stocks that, you know, whether you're the government or whether you're a household, you're always diminishing your own security. How does that manifest itself in the country?

Jessica: Yeah. I mean, I think that's why there's this ongoing kind of labouring of trying to ensure that they have wheat and show that they have bread. Yes, absolutely. It's this ongoing process. You can never sort of sit back on your laurels and think, okay, right, I've done it. I've got the bread that I need. I mean, that's one of the arguments I'm trying to make in the book, is that there's a way that people talk about food security and that it is talked about as though it's kind of a state that you can achieve. I see it much more as this kind of ongoing process. So the government is constantly kind of looking at how much wheat it has in its silos, how much wheat their Egyptian farmers have planted, how much wheat they need to import in the coming months, how much flour the bakeries need. It's kind of this ongoing process that really preoccupies a large number of government officials. Just as in the home, you know, a parent will be thinking every day, where am I going to get my bread from today? Have I got enough in the freezer? Have I got enough sort of in a bag on the on the sideboard?

Jeremy: And one of the things I found fascinating in your book as far as the government is concerned, is that apparently every purchase, every shipment, every estimate of wheat imports and harvests, every inventory of stocks is published in the newspapers. In quite some detail, you say. And I just wonder, is that the government, I don't know, whistling in the dark, trying to reassure itself. Does anybody care? Do people read those and worry?

Jessica: It's really fascinating to me, too. I don't think I have the data to answer that question of whether people are reading and whether they really care about this. What is perhaps more interesting to me is what it says about the government, the fact that they take the time to publish these statistics,

That they kind of take the time to give these press releases with every different shipment that arrives with wheat. Updating the public. We have this many months of wheat in stock. We have bought this much wheat from farmers in this province. And I think what the government is trying to do here is really create an impression to the public, to the population, that we have this covered, that we have plenty of wheat, that we are we are secure in this respect.

Jeremy: Let's go back to the way people get their subsidised bread. You mentioned that there's a kind of smart card thing. Is it easy to use? Do people find it easy to get a smart card?

Jessica: In theory, it's very easy to get one of these smart cards. If you look at the website of the Ministry of Supply, which monitors the subsidy programme, there are kind of a set of steps that you have to go through to get one of your smart cards. And it sounds on paper like it all should be quite simple. One of the things I found that in my research, though, was actually the kinds of problems that can that can crop up along the way. So I tell the story. This is in a chapter co-authored with my research assistant, Mariam Taher. We tell the story of a woman whose card stops working. So she has one of these cards, but for a number of reasons it stops working, and we tell the story of the travails she goes through trying to get a new card, that actually is a sort of multi-year three, four year saga before she actually ends up getting a new card. So I think it's one of these things that seems on paper like it's simple, but actually the process is quite opaque. There are a number of roadblocks, especially to people who are older or illiterate or don't totally understand how kind of electronic systems work, who don't necessarily have all the documents to hand that are needed to prove their eligibility. So there can be some challenges in getting one of these cards.

Jeremy: What happened to this woman during the three or four years in which she didn't have a card? Could she still get bread?

Jessica: She could still get bread, but she had to pay the unsubsidised price for it. So a loaf of subsidised bread costs five piastres, a loaf of

unsubsidised bread costs between 50 and 150 piastres. So she relied on buying more expensive bread, or sometimes people who had subsidised bread cards would give her some of that bread if they had any left over that they didn't need.

Jeremy: I feel she ought to get a rebate. Did she? Do you know,

Jessica: If only.

Jeremy: That seems to me a bit like the system abusing this woman. Is there abuse of the system more generally? I mean, I would have thought that with bread at such low rates that there'd be temptations, shall we say.

Jessica: Well, it's interesting the word you used: abuse and temptations. I mean, I think it's an interesting kind of question of what's of what we count as abuse of the system and what we understand as people just trying to sort of support their livelihoods. One of the reasons why they introduced the smart card was precisely to try and address various abuses to the system. So there were allegations that people were taking large quantities of bread — this was before they set any number limit on the number of loaves you could have, and you didn't need a smart card — and then just feed them to their livestock or their poultry. And there were also allegations of various things going on in bakeries where subsidised flour was being diverted to other causes, other production processes rather than the subsidised bread. So the smart card was meant to clamp down on some of these, what policymakers refer to as leakages. And it has done to a certain extent.

But I think when you introduce new systems, it just opens up new places where those kinds of leakages can take place. So there are a number of stories about bakers tweaking things on their systems, so it appears that they've sold more loaves than they have actually sold, and then can reclaim larger amounts of reimbursement from the government. There are claims of people using cards of individuals who've died, and so getting more than that allocation. So there are a number of stories about abuses to the system. It's just operating in a slightly different way. Now you have this smart card system.

Jeremy: Now, what about the countryside? I mean, that's where farmers are growing the wheat. A couple of questions about that. First

of all, are people in the countryside ... do they also have the smart card system and access to this subsidised bread in the same way?

Jessica: They do. Yes. So I conducted fieldwork in a village in Fayum province about two and a half hours from Cairo. And over the years that I've been working there, I first started working there in 2007, I've seen an increasing use of subsidised bread in the village. It's not as dominant as it is in urban areas because many families also grow wheat and so bake their own bread. And actually in that community, the homemade bread is preferred, but it still plays an important role. And many households will either get subsidised bread to supplement their home-made bread, or there might be certain instances when they'll get the subsidised bread.

Jeremy: So if you're a farmer growing wheat, what then would your view of security be? I mean, is it getting a good price for your wheat? Is it having enough wheat stored at home?

Jessica: I think it's those bags of grain in your living room after your harvest, which you look at and you see, my bread needs for my whole family are covered for the next year. I have enough grain that I know I can take it to the village mill bit by bit, produce flour. The women in the household will bake it into bread. And I have that need covered for the next year.

Jeremy: So the farmer's first concern is to supply his family and then the rest of it he can sell, he or she can sell, on the open market. Or do they have to sell to the government?

Jessica: They have to sell it to the government in theory. So they have to. ... There was not meant to be any sale to the private sector. It does happen. But most farmers will sell their grain either directly or via an intermediary to the government buying authority.

Jeremy: And does the government set the price or is it an open market for for buying domestic wheat?

Jessica: It sets the price.

Jeremy: So does the farmer know in advance, for example, that. ... I mean, let's say there's a scarcity of domestic wheat, then they would get a higher price for it. Would they sell more under those

circumstances, or will they always try and and maintain their home supply?

Jessica: Well, that was precisely one of the ways the government responded to the Ukraine crisis and concerns about that. There could be some problems with their imports so they decided to offer a particularly good price to farmers last harvest season, back in 2022, hoping that farmers would sell a really bumper chunk of their their harvest to the government. They did manage to increase slightly their purchases from the previous year, but they didn't actually achieve the the target that they had set. So what that says to me is that prices have some effect. They might encourage some farmers in particular circumstances to sell a bit more of their grain, but they aren't sufficient to get farmers to to abandon their household needs.

Jeremy: I wonder if that's a question of trusting the government to fulfill their needs, if they don't have sacks of wheat that they can watch over.

Jessica: It might be partly that, but I think it's also partly just the preference for particular kinds of bread. So there really is a preference — certainly in the community where I conducted my field work — there is a preference for the homemade bread. So I would struggle to imagine farming households that grew wheat and that have female labour on hand to turn it into bread, I would struggle to imagine any of them sort of selling all that, ever agreeing to sell all their wheat.

Jeremy: I mean, you've tasted both. Is the homemade bread very different from the store bought biladi bread?

Jessica: It is very different. And I definitely prefer the homemade. I mean, most Egyptians seem pretty happy with the bread, but it wasn't particularly to my taste. It's got quite a slightly gritty taste, texture, and they add a lot of bran to it and it doesn't have a lot of salt in it, so it's a little bland for my taste. The home-made bread is like pita bread. It isn't as gritty in texture. It has a little more salt, a lot more flavour, and it's quite delicious.

Jeremy: And the subsidy system has been going an awful long time, since the 1950s, I believe. Can it go on forever? I mean, do you see ... In your research, have you come across people who, oh, I don't know,

who are forecasting its demise or else saying, well, this is how it has to be.

Jessica: There are definitely people who think it can't and shouldn't go on forever. There have been international experts, economists who work for the World Bank talking about this bread subsidy for decades, saying it really doesn't make sense. It's incredibly expensive to the government. It's a very wide subsidy. It used to be that everyone was entitled to this bread. Even still today, the vast majority of the population is entitled to it. So it's not a highly targeted subsidy. And there are many people who, from that kind of economic perspective would certainly say it doesn't make sense.

One one of the things that was interesting was that President Sisi in the last couple of years had also made some statements that implied that he didn't think it made total sense either. So in one press conference, he made the statement that it's just extraordinary that Egyptians can buy 20 loaves of bread for the cost of a cigarette. And there were hints from his administration that he might be looking into different options for changing the subsidy or increasing the price. However, then the COVID pandemic hit. Then the Ukraine war began. And I think in the current moment, it would be very difficult for the government to change the subsidy programme. Costs of living have just spiralled in Egypt. Food inflation is very high, so the cost of any other kind of food has just been rocketing up at a time when wages are not going up. And I think this bread really provides such a crucial support for the population and the government really understands that.

So one of the things that was interesting is that I read some newspaper reports about negotiations over a loan that the government has just signed with the International Monetary Fund. And according to these reports, at first, the IMF officials were pushing for Egypt to completely lift this subsidy on bread. But when the loan agreement was finally signed in in December, there was no mention of any change in the bread subsidy. So the government agreed to lift some energy subsidies, but it did not agree to make any changes to the bread subsidy.

Jeremy: So they're carrying on as before.

Jessica: And it's hard to believe that that five piastre price is going to continue forever. You know, really has been since 1989. That's

incredible kind of price stabilisation. But it's difficult, certainly in the near future, it's difficult for me to envisage that the government would take the steps to change it. Perhaps more likely they will try and find other ways to cut the programme a little bit or to make cuts in the programme. So just for example, in about 2018 or 2019, they slightly tightened the eligibility criteria to cut some people out of the programme. So there are other ways they could make cuts to the program without completely changing it.

Jeremy: One thing that I find also equally fascinating is how the whole thing started. I mean, Egypt used to be one of the great wheat — going back 2000 years, of course, it was supplying the Roman Empire — but Egypt used to be a really good wheat producer. It still is. I mean, the yields they get are among the highest in Africa, I wonder, have you ever come across anyone who said, well, what if we'd spent the money on improving Egyptian agriculture rather than buying foreign wheat? I mean, is that a comparison it's possible to make?

Jessica: I haven't heard that. I think maybe one reason I think, as you said, Egyptian wheat yields are actually pretty high. There aren't many agricultural experts who think that you could raise yields a lot more than what they currently are. Egypt does invest a lot in its agricultural sector, and they're constantly looking for ways where they can further increase the yields. For example, at the moment they are rolling out this programme to cultivate wheat in a whole, a completely different way in terms of rather than sort of seeding large swathes of land, you actually build ridges in your field. This is a bit like how they grow various kinds of vegetable crops. And you seed on the top of these raised beds, and they found that that can increase yields. So there are a number of different kinds of initiatives and programmes through which the Ministry of Agriculture is trying to support wheat farmers and try and increase yields further.

But there is a limit to how much they will ever be able to produce because of the geography of Egypt and the limited water supplies from the Nile. It's all irrigated cultivation. There is almost no rain fed cultivation in Egypt. I think however much they invested in their agricultural sector, they would never be able to produce enough for the very high wheat consumption needs. There have been points in time when different political leaders have talked about this goal of 100% self sufficiency. President Morsi, when he came to power after

the revolution, set this very ambitious target that he wanted Egypt to become self-sufficient in wheat in five years, or something like this. And this is a kind of, a politically ... It's a popular thing to say. But most agricultural experts I talked to said it really just isn't a feasible goal.

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