### A.1. List of Interviewees

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Role</th>
<th>Interview date(s)</th>
<th>Format</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Foreign Affairs</td>
<td>Former Deputy Minister</td>
<td>28/06/2013</td>
<td>In person</td>
</tr>
<tr>
<td>Egypt National Competitive Council</td>
<td>Director</td>
<td>17/07/2013</td>
<td>Email</td>
</tr>
<tr>
<td>Lebanese Embassy in Cairo</td>
<td>Ambassador</td>
<td>17/07/2013</td>
<td>In person</td>
</tr>
<tr>
<td>Ministry of Foreign Affairs</td>
<td>Former Ambassador to Ukraine</td>
<td>22/07/2013</td>
<td>Phone</td>
</tr>
<tr>
<td>Food and Agriculture Organization</td>
<td>Regional Director</td>
<td>23/07/2013</td>
<td>In person</td>
</tr>
<tr>
<td>Food and Agriculture Organization</td>
<td>Country Representative</td>
<td>23/07/2013</td>
<td>In person</td>
</tr>
<tr>
<td>Egyptian Initiative for Personal Rights</td>
<td>Head of Social and Economic Research</td>
<td>22/07/2013, 25/07/2013</td>
<td>In person</td>
</tr>
<tr>
<td>Ministry of Foreign Affairs</td>
<td>Deputy Spokesperson for the Ministry</td>
<td>04/08/2013</td>
<td>Phone</td>
</tr>
<tr>
<td>Australian Embassy in Cairo</td>
<td>Ambassador</td>
<td>05/08/2013</td>
<td>In person</td>
</tr>
<tr>
<td>Ministry of Supply and Internal Trade</td>
<td>Former Minister</td>
<td>05/08/2013</td>
<td>In person</td>
</tr>
<tr>
<td>Ministry of Supply and Internal Trade</td>
<td>Assistant to Current Minister</td>
<td>13/08/2013</td>
<td>In person</td>
</tr>
<tr>
<td>Cairo University</td>
<td>Professor of Political Economy</td>
<td>17/08/2013</td>
<td>Phone</td>
</tr>
<tr>
<td>Thomson Reuters</td>
<td>Reporter</td>
<td>20/08/2013</td>
<td>Phone</td>
</tr>
<tr>
<td>World Bank</td>
<td>Senior Agriculture Economist</td>
<td>21/08/2013</td>
<td>Phone</td>
</tr>
<tr>
<td>Economic Research Forum</td>
<td>Research Fellow</td>
<td>16/12/2013</td>
<td>In person</td>
</tr>
<tr>
<td>American University, Cairo</td>
<td>Associate Research Professor</td>
<td>16/12/2013</td>
<td>In person</td>
</tr>
<tr>
<td>Egyptian Initiative for Personal Rights</td>
<td>Research Food Sub unit</td>
<td>15/07/2013, 22/07/2013, 16/12/2013</td>
<td>In person</td>
</tr>
<tr>
<td>British Embassy in Egypt</td>
<td>Ambassador</td>
<td>24/07/2013 - 17/12/2013</td>
<td>In person</td>
</tr>
<tr>
<td>Ministry of Supply and Internal Trade</td>
<td>Former Minister</td>
<td>06/08/2013, 18/12/2013</td>
<td>In person</td>
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<tr>
<td>World Food Programme</td>
<td>Program Officer</td>
<td>19/12/2013</td>
<td>In person</td>
</tr>
<tr>
<td>General Authority for Supply Commodities</td>
<td>Former Chief Wheat Buyer</td>
<td>22/12/2013</td>
<td>In person</td>
</tr>
<tr>
<td>University of Cambridge</td>
<td>Lecturer in Political Sociology</td>
<td>08/01/2014</td>
<td>In person</td>
</tr>
<tr>
<td>Thomson Reuters</td>
<td>Reporter</td>
<td>09/01/2014</td>
<td>In person</td>
</tr>
<tr>
<td>Thomson Reuters</td>
<td>Reporter</td>
<td>04/08/2013, 09/01/2014</td>
<td>In person</td>
</tr>
<tr>
<td>TNT</td>
<td>Director of Sales</td>
<td>10/01/2014</td>
<td>Phone</td>
</tr>
<tr>
<td>TNT</td>
<td>Director, Global Solutions Management</td>
<td>10/01/2014</td>
<td>Phone</td>
</tr>
<tr>
<td>American University Cairo</td>
<td>Assistant Professor of Sociology</td>
<td>12/01/2014</td>
<td>In person</td>
</tr>
<tr>
<td>British Embassy in Egypt</td>
<td>Head of Development Issues</td>
<td>12/01/2014</td>
<td>In person</td>
</tr>
<tr>
<td>General Company for Silos and Storage</td>
<td>Head of Deliveries</td>
<td>13/01/2014</td>
<td>Phone</td>
</tr>
<tr>
<td>Egyptian Federation of Chambers of Commerce</td>
<td>Deputy Head of Bakers’ Chamber</td>
<td>15/01/2014</td>
<td>Phone</td>
</tr>
<tr>
<td>Egyptian Federation of Chambers of Commerce</td>
<td>Head of Grains Division</td>
<td>15/01/2014</td>
<td>In person</td>
</tr>
<tr>
<td>Moolenaar and Partners Ltd.</td>
<td>Founder</td>
<td>15/01/2014</td>
<td>Email</td>
</tr>
<tr>
<td>Information Decision and Support Center, Egyptian Cabinet</td>
<td>Former Researcher</td>
<td>16/01/2014</td>
<td>In person</td>
</tr>
<tr>
<td>Egypt National Competitive Council</td>
<td>Head of Food Security Unit</td>
<td>05/08/2013, 16/01/2014</td>
<td>In person</td>
</tr>
<tr>
<td>Citadel Capital</td>
<td>Associate - Mergers and Acquisitions</td>
<td>17/01/2014</td>
<td>Email</td>
</tr>
<tr>
<td>Medsofts Ltd.</td>
<td>Head of Grain Logistics</td>
<td>17/01/2014</td>
<td>In person</td>
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A.2. Baladi bread solutions: two notable case studies

Between October 2005 and February 2006, the outbreak of Highly Pathogenic Avian Influenza (HPAI) spread to Egypt’s poultry production sector. Losses experienced by the Egyptian economy during this first wave of the disease amounted to 3 billion EGP ($0.5 billion) and resulted in the culling of more than 30 million birds as well as the loss of some 250,000 jobs after the closure of feed mills and some retail and marketing operations. These events eventually had some repercussions in the baladi bread sector. In a study of the baladi bread supply chain carried out by the IDSC at the time, researchers noticed for the first time that some of the underlying problems pertaining to bread shortage in poor neighbourhoods had dissipated. The demand for baladi bread was well within the means of what bakers provided. However, upon closer examination, it emerged that a large part of the population that relies on baladi bread also rears domestic animals. In this case, 1-3 chickens per household in urban areas. Interview data uncovered by the IDSC suggests that the diet of these chickens was comprised mainly of baladi bread.

Avian influenza contributed to highlighting the extent to which baladi bread dependence was correlated with poorer urban households. The heavy reliance of small/micro-scale poultry breeders on cheap, subsidised baladi bread as a substitute to animal fodder meant that they were diverting this subsidy from its initial purpose and further distorting the system by leaking it into the production of another commodity. The un-targeted and unregulated nature of the baladi bread subsidy then contributed to indirectly producing poultry meat on a micro-scale in Egypt. Further, the avian influenza and IDSC study uncovered the actual portion of baladi bread that is consumed by the end user and the extent to which small-scale chicken breeders rely on it to feed their produce. In addition, the example of avian influenza in Egypt underlines the extent to which the government is setting aside resources for a commodity that is being improperly used and does not maximise its intended benefits. The baladi bread system then emerges as a mechanism that is built around incentivising poorer Egyptians to rely on more bread for their livelihood and food security.

Another example that has contributed to shedding more light on previous studies of the baladi bread supply chain is the case of the city Qena, north of Luxor, after the appointment of Adel Labib as governor in 2000. Under his leadership, the city witnessed an unprecedented growth in good governance, tourism and municipal services. Adel Labib’s approach was built on resolving issues on the basis of popular participation and engaging with the local residents. This granted him a strong support basis within the community and allowed him to tackle some of the issues in the baladi bread supply chain in 2007.

In order to reduce the leakage and wastage of bread, Adel Labib set up a popular committee that enforced and ensured that each bakery used its entire daily flour quota, which is delivered in two batches. A few days after the implementation of this policy, Qena witnessed a huge glut in bread production and bakery owners no longer needed a second delivery batch from the GASC. Given the scale and size of this operation, it was much easier for the governor to ensure adequate political participation and implement measures that would ensure accountability on the number of loaves produced.

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At that level, the power of bakers and millers was restrained by making them directly accountable to the community that they were serving. This is much more difficult to replicate at a national level since the interests of bakers are represented through chambers of commerce that directly negotiate pricing and licensing in the baladi bread system with the government.

The example of the city of Qena under Adel Labib’s governorship suggests that it is possible to temporarily reform the baladi bread system by incentivising people within the community to directly resolve the issue. In this case, residents became more accountable and active in addressing some of supply chain problems by actively addressing the common distortions highlighted above – leakage, wastage and bad administration.

A.3. Interview Guidelines

**Objective**

Identify the roles and functions of intermediaries and middlemen in the baladi bread supply chain.

**Actors involved**

Organisations and individuals that are part of the baladi bread subsidy.

**Data collection**

- Archival research (Stage 1).
- Publicly available documentation (Stage 1).
- Semi-structured interviews (Stage 2).

**Stage 1:**
- Archival research
- Scholarly articles and policy writing
- Annual reports and publications by the Egyptian state

**Stage 2 – Part 1: Identification of the interviewee**

**Stage 2 – Part 2: Open-ended Questions:**

**Non-specific questions**

- How does the baladi supply chain function? Describe the process to me.
- Who are the main actors in the baladi bread subsidy system?
- What is your role in the baladi bread supply chain?

**Themes: role of the actor, experience with the baladi bread subsidy**

- How do you provide wheat/flour/bread?
- Has that always been the case?
- What has changed?
- Why?
Themes: Supply chain relations, logistics, contracts, tenders
What are the repercussions of the government subsidy policy on your operations?
What kinds of measures are used to monitor the system?
How is the price of payment/sale fixed?

Themes: bargaining power, contracts, alliances
What changes would you like to make to the baladi bread subsidy?
How would you like to see those changes enacted?

Theme: reform
Targeted questions
How often do you get baladi bread flour deliveries?
Who do you directly compete with to sell your (subsidised) wheat/flour/bread?
How are your quotas for baladi bread flour set?
Are you aware of leakages and wastage in the system? How do you address this?
When was the last time the government inspected your bakery?
At what times of day do you bake? How many loaves do you produce on average?
How do you influence government policy and pricing?
How do you receive wheat deliveries? Where/How do you store them?

A.4. Household food consumption in Egypt

<table>
<thead>
<tr>
<th>Commodity</th>
<th>g per day</th>
<th>Kcal per day</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bread (20% moisture)</td>
<td>360</td>
<td>1,270</td>
<td>42.5</td>
</tr>
<tr>
<td>Rice</td>
<td>96</td>
<td>340</td>
<td>11.4</td>
</tr>
<tr>
<td>Sugar</td>
<td>100</td>
<td>385</td>
<td>12.9</td>
</tr>
<tr>
<td>Vegetable oil</td>
<td>50</td>
<td>425</td>
<td>14.2</td>
</tr>
<tr>
<td>Meat/fish</td>
<td>50</td>
<td>100</td>
<td>3.3</td>
</tr>
<tr>
<td>Vegetables</td>
<td>500</td>
<td>150</td>
<td>5.0</td>
</tr>
<tr>
<td>Maize</td>
<td>50</td>
<td>170</td>
<td>5.7</td>
</tr>
<tr>
<td>Others</td>
<td>---</td>
<td>150</td>
<td>5.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>---</td>
<td><strong>2,990</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

A.5. Map of Administrative Divisions in Egypt

Source: International Food Policy Research Institute.