



Living Income Benchmark Study Peru, 2022

Webinar, May 2nd, 2022



Swiss Platform for
Sustainable Cocoa



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Anti-trust Statement

As participants in this group, we need to be mindful of the constraints of antitrust laws. During both the formal and informal parts of this meeting, participants shall not enter into discussions, agreements or concerted action that may have as their object or effect the restriction of competition. This prohibition covers the exchange of competitively sensitive information including, but not limited to, information concerning individual prices, production, sales, capacities, costs, rates, coverages, market practices, claims settlement practices, company level investments, or any other competitive aspect of an individual company's operation.

Each participant is obliged to speak up immediately for the purpose of preventing any discussion from falling outside these bounds.

Thank you!

Speakers



Stephanie Daniels

Sustainable Food Lab,
*Senior Program Director,
Agriculture & development*



Christian Robin

Swiss Cocoa Platform for
Sustainable Cocoa,
Executive Director



Lykke Andersen

Anker Living Wage and Income
Research Institute,
Researcher



Martha Anker

Anker Living Wage and Income
Research Institute



Richard Anker

Anker Living Wage and Income
Research Institute

Agenda

- Study context
- SWISSCO & Living Income Benchmarks
- Living Income and the International Coffee Organization Task Force
- Living Income Benchmark Study in Peru
- Questions & Answers

Study context

Living Income Benchmark Study, Peru – Consortium of stakeholders

Cocoa stakeholders

- Swiss Platform for Sustainable Cocoa



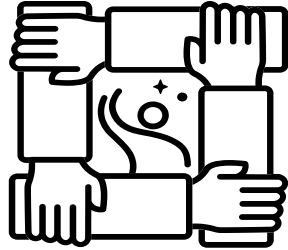
Coffee Stakeholders

- Starbucks
- Nespresso
- Keurig Dr Pepper
- Sustainable Harvest Coffee Importers
- Olam Specialty Coffee
- Solidaridad-Peru



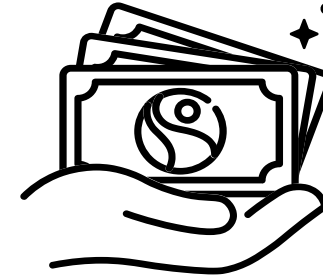
Anker Research network & Social Accountability International (SAI),
Sustainable Food Lab & Fairtrade Max Havelaar Switzerland

Stakeholder's contributions



In Kind

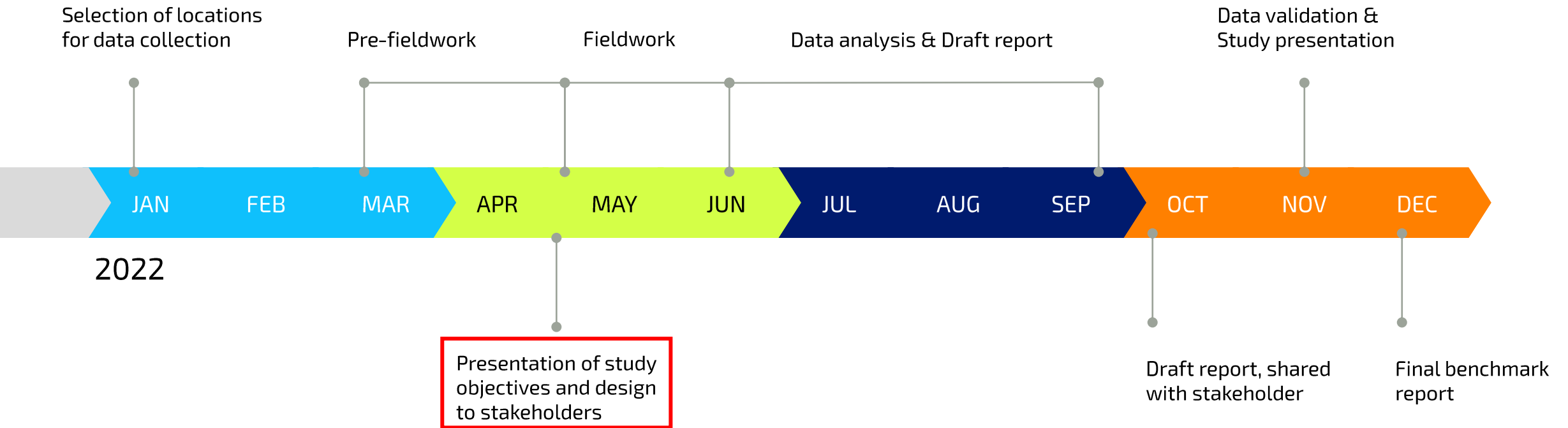
Peru Ministry of Agriculture
Fairtrade Int'l/CLAC
Sustainable Food Lab
Max Havelaar Switzerland
Solidaridad-Peru
UNDP
Bellwether Coffee



Financial Sponsorship

Swiss State Secretariat for Economic
Affairs (SECO)
Starbucks
Nespresso
Keurig Dr Pepper
Sustainable Harvest Coffee Importers
Olam Specialty Coffee
Solidaridad-Peru

Time plan



SWISSCO & Living Income Benchmarks

Christian Robin

Living Income and the International Coffee Organization Task Force

Stephanie Daniels

Living Income Benchmark Study in Peru

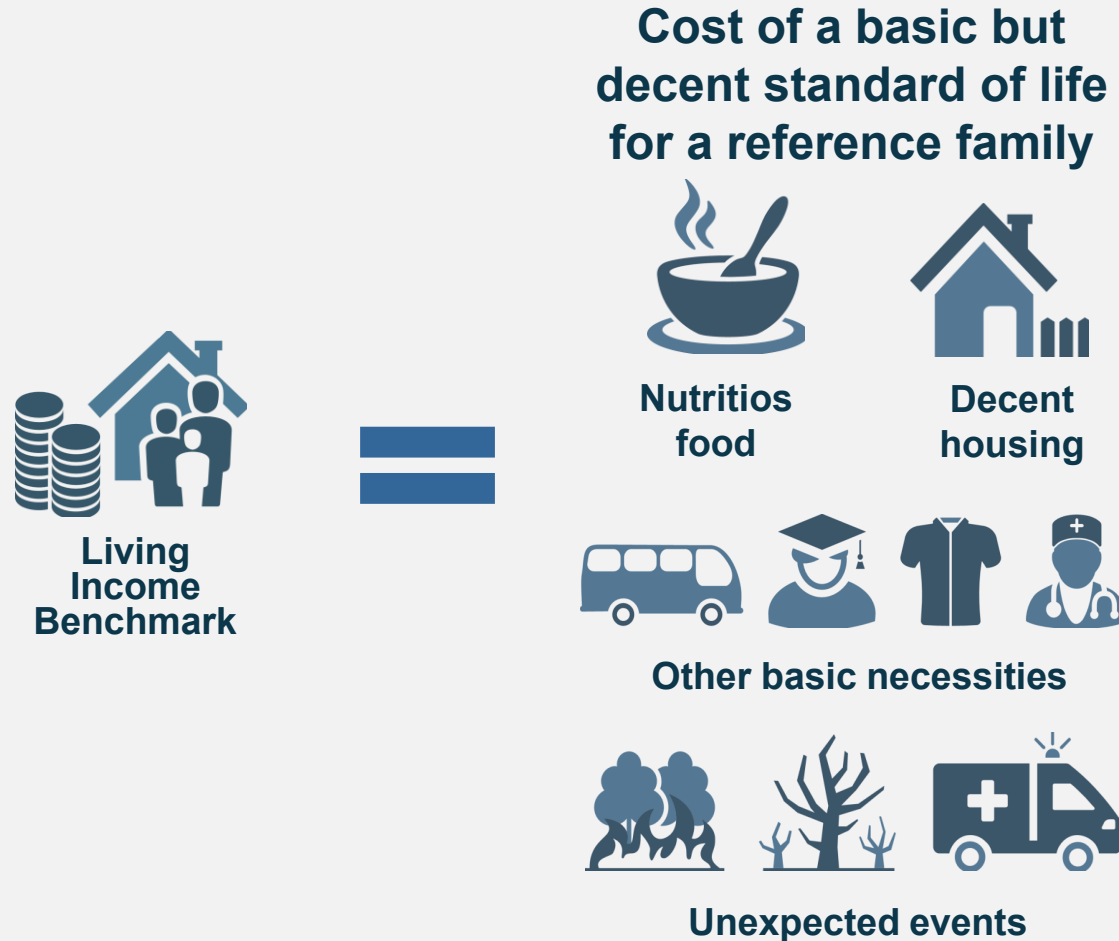
Lykke Andersen

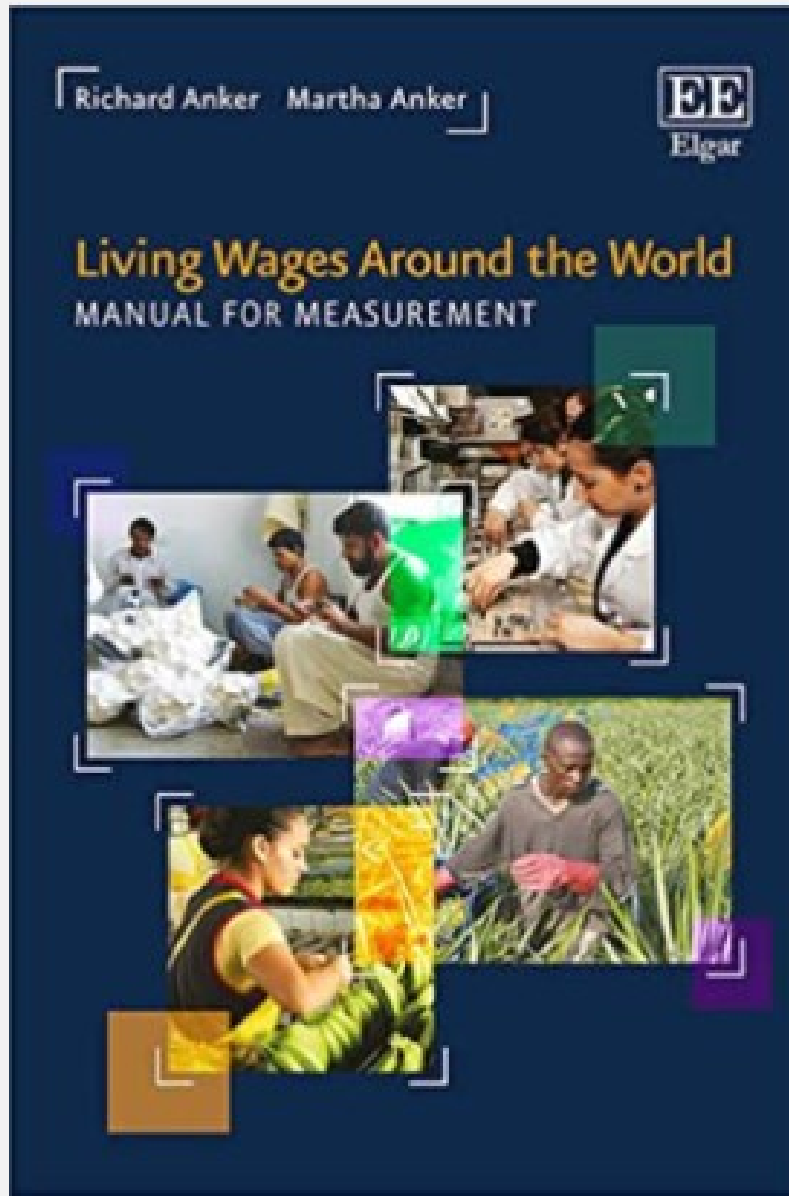


Living Income Benchmark, Peru 2022

Coffee and cocoa regions

What is a Living Income Benchmark?



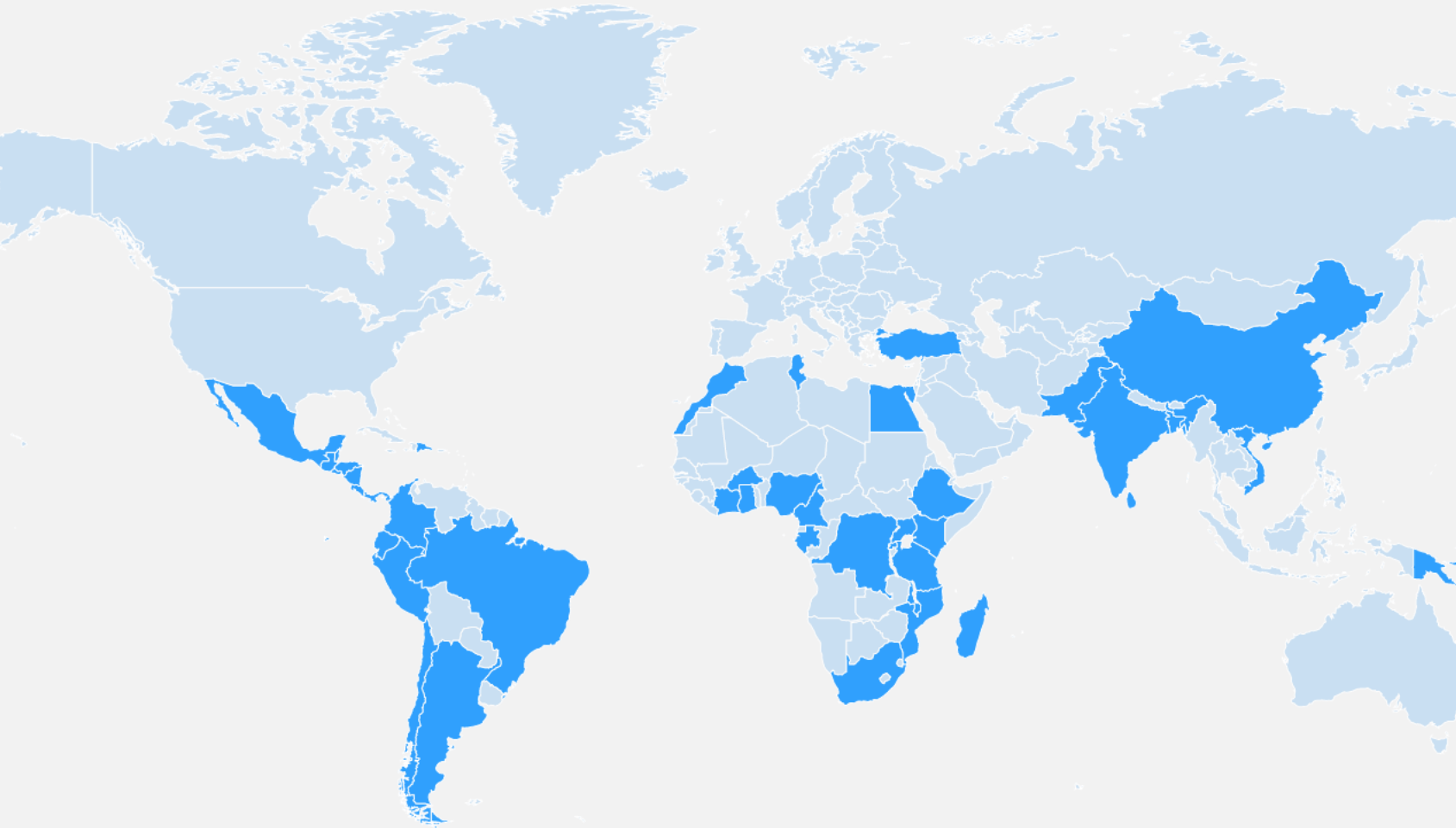


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The Anker methodology

- Provides standardized methods to estimate **Living Incomes** and **Living Wages** based on a judicious combination of new local data collection and secondary data analysis.

The Anker Research Institute's Living Wage and Living Income research spans 42 countries.



Countries with Estimates

Argentina	Ecuador	Nicaragua
Bangladesh	Egypt	Nigeria
Belize	El Salvador	Pakistan
Brazil	Ethiopia	Panama
Burkina Faso	Gabon	Papua New Guinea
Cameroon	Ghana	Peru
Chile	Guatemala	Rwanda
China	Honduras	South Africa
Colombia	India	Sri Lanka
Costa Rica	Kenya	Tanzania
Côte d'Ivoire	Madagascar	Tunisia
Democratic Republic of Congo	Malawi	Turkey
Dominican Republic	Mexico	Uganda
	Morocco	Vietnam
	Mozambique	

Study regions in Peru

- North: San Martín and Cajamarca
- Central: Junín
- South: Cusco



Cocoa producing regions

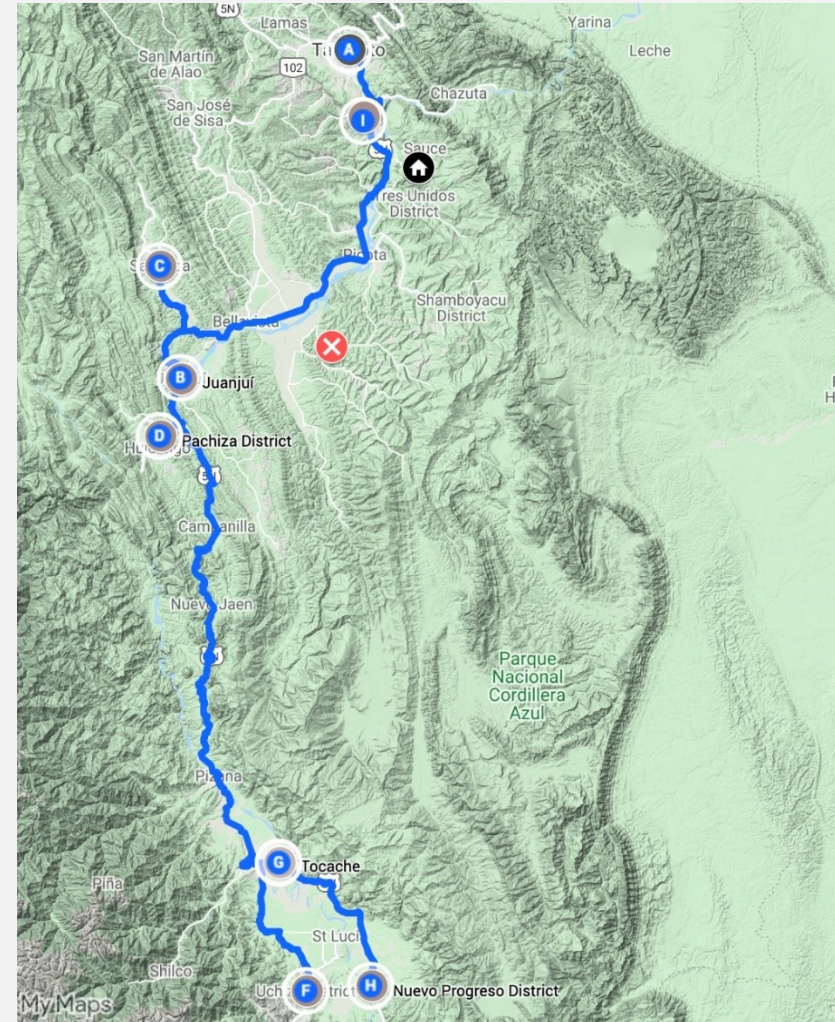
The main cocoa producing departments	The main cocoa producing provinces	Hectares of cocoa (DRASAM 2018)	Cocoa producing districts	% of homes with indadequate physical characteristics (2017 Census)
San Martín	San Martín	4,581	Juan Guerra	8.5
	Tocache	18,516	Tocache	19.9
			Nuevo Progreso	41.7
			Uchiza	26.7
	Mariscal Cáceres	14,265	Juanjui	23.1
			Pachiza	65.5
	Lamas	5,995	Alonso de Alvarado	65.4
	Huallaga	10,688	Saposo	37.8
			Alto Saposo	73.2

Coffee producing regions

Main coffee producing states	Main coffee producing provinces	Main coffee producing districts	Coffee area (Agricultural Census 2012)	% of homes with inadequate physical characteristics (Census 2017)
San Martín (North)	Moyobamba	Moyobamba	16,022	33.2
		Jepelacio	6,582	54.3
		Soritor	6,073	44.3
	Lamas	Alonso de Alvarado	6,299	65.4
	Bellavista	Bajo Biavo	5,868	78.6
	Huallaga	Saposoá	4,076	43.5
Cajamarca (North)	San Ignacio	La Coipa	10,971	25.4
		San Ignacio	10,073	27.0
		San José de Lourde	7,881	39.7
		Chirinos	4,699	31.8
		Tabaconas	4,454	34.3
Junín (Central)	Satipo	Mazamari - Pangoa	23,223	71.2
		Rio Negro	9,385	79.1
		Rio Tambo	9,246	89.6
		Satipo	9,181	42.8
	Chanchamayo	Pichanaqui	20,528	50.1
		Perene	18,593	42.2
		San Luis de Shuaro	3,991	56.7
Cusco (South)	La Convención	Echarate	19,106	42.7
		Quellouno	9,010	34.9
	Calca	Yanatile	4,599	11.6

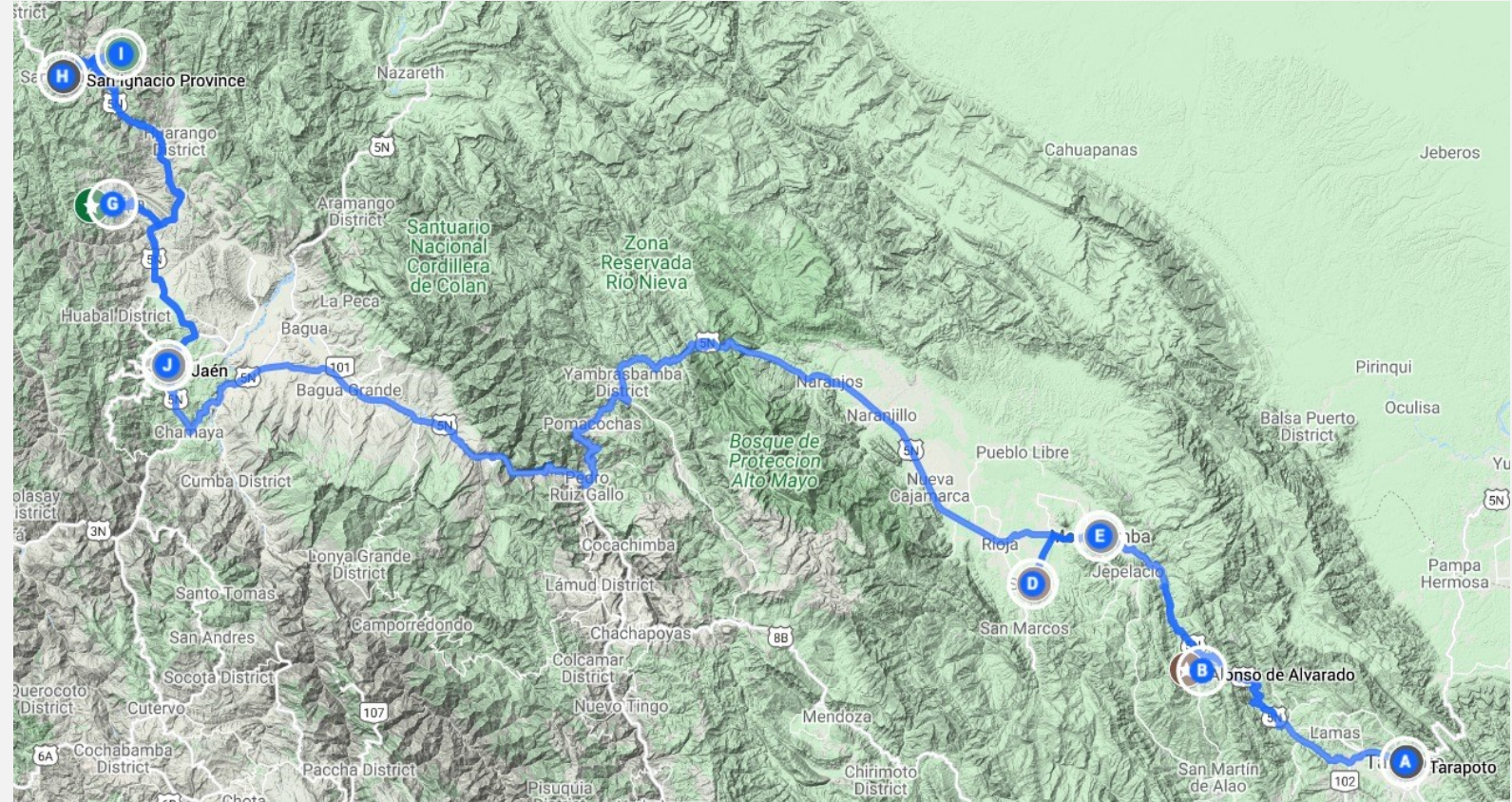
Zone 1: North - Cocoa

- Initial meeting with **Alianza Cacao** in Tarapoto (9 May 2022)
- Visits to cocoa farmers in Tarapoto – Juanjui – Saposoa – Alto Saposoa – Pachiza – Tocache – Uchiza - Nuevo Progreso - Juan Guerra (9 – 14 of May).



Zone 2: North - cocoa and coffee

- Meeting with **Mesa Técnica de Café** in **Moyobamba** (17 May 2022)
- Meeting with **Plataforma multiactor del café de la región Cajamarca** (23 May 2022)
- Visits Tarapoto - Alonso de Alvarado – Moyobamba – Soritor – Jaen - Cajamarca – La Coipa - San Ignacio (16 – 25 of May).



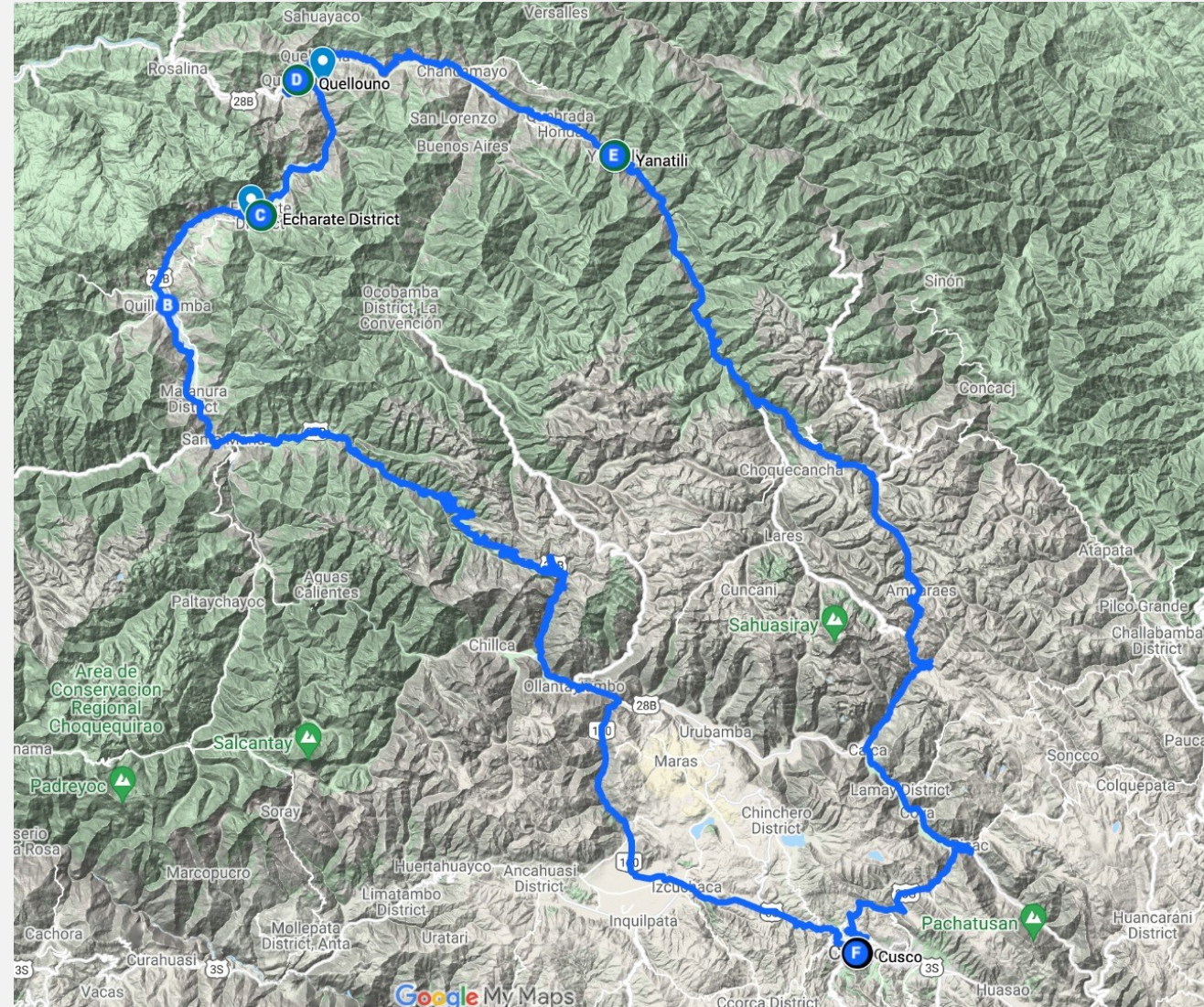
Zone 3: Central - coffee

- Meeting with **Proyecto de Café** in Perené (27 May 2022)
- Visits to coffee farmers Jauja – Perené – Pichanaki – Rio Negro – Satipo (27 – 31 de mayo)



Zone 4: Southern - coffee

- Meeting with Mesa de Café y Cacao de la Región de Cusco (2/3 June 2022)
- Visits to coffee farmers Cusco – Quillabamba – Echarate – Quellouno - Yanatili
- (3 – 10 June)



1. Reference family



The reference family used for the calculation of living expenses is 2 adults and 2 children.

Rural area (less than 2000 inhabitants)	Average number of minors per household, 2021
San Martín	1.96
Cajamarca	1.75
Junín	1.88
Cusco	1.55

Source: Authors' calculations using ENAHO 2021.



Source: ENDES 2020.

2. Food



Food is one of the main expense categories for a family living just around a living income. Therefore food costs are estimated in great detail.

We develop a **model diet** that covers the calorie requirements of the family, is nutritious, economical, and in line with local preferences and possibilities.

We carry out a survey of the prices of each of the food items included in the model diet, at the markets/stores where coffee and cocoa workers usually buy their groceries.

3. Housing



Housing is another major expense category.

A list of minimum housing quality standards are developed (based on national and international criteria)

We identify all the homes in the zones of interest in the ENAHO 2021 survey which comply with all minimum housing standards.

We then calculate the median rental value for these homes (excluding extravagant homes).

3. Housing



We visit the homes of coffee and cocoa producers to verify the estimations and obtain complementary data on utility costs (water, electricity, gas).

During the visits we take photos to illustrate the living income report.

3. Selection of farms to visit

The key to the selection of farms to be visited is variety:

- Northern, central, and southern region of Peru
- Districts with different levels of poverty
- Small, medium, and large farms
- With and without Fairtrade certification
- Preferably visiting families with school age children.



The purpose of the visits is not to carry out a representative survey for each region, but rather understand the range of living and working conditions of coffee and cocoa workers in Peru. We also need to understand consumption habits, shopping locations, access to health and education, government subsidies, etc.

It does not have to be a random sample. Indeed, we prefer to visit the families that are most collaborative and interested in sharing information to enrich the study.

4. Other basic necessities



All other Non-Food Non-Housing expenditures are estimated as a proportion of food expenditures, according to household consumption patterns in different places and at different levels of income using the most recent household expenditure survey (ENAPREF, 2019-2020).

4. Unexpected events



5% is added for families to be able to cope with emergencies and unexpected events.

Timeline for the study

Activity	2022
Define regions of analysis together with stakeholders	January – February
Make pre-fieldwork analysis using secondary data	March – April
Develop field work survey tools	April
Fieldwork Northern, Central and Southern Peru	May – June
Write draft report with help from Martha and Richard Anker	July - September
Circulate draft report for review	October
Present results in Webinar with stakeholders	November
Final version of Living Income Report for Peru	December



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Questions & Answers



Outlook

Time plan

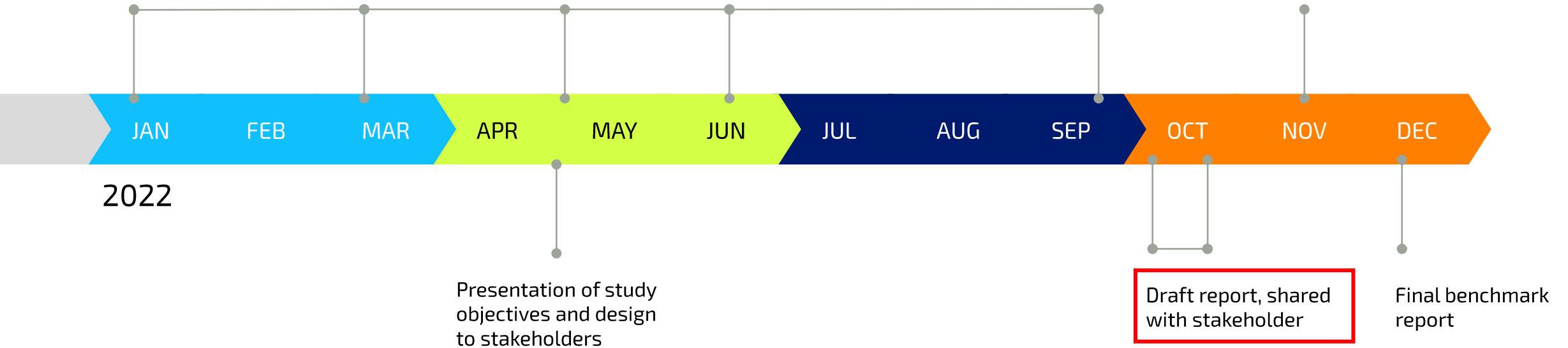
Selection of locations for
data collection &
secondary data analysis

Pre-fieldwork

Fieldwork

Data analysis & Draft report

Data validation &
Study presentation





FAIRTRADE
MAX HAVELAAR



Thank you

For further questions:
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