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Eleonora Escalante Strategy
presents
the Summer Saga of the year

Cacao and Coffee 101.

Success strategies for Small Farm Holders

Episode 20

Cacao Industry Analysis 2

Perú

www.eleonoraescalantestrategy.com

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Next Saga: Human Talent: From Feudal Slaves to Digital Beggars. As of January 9th, 2027.

Outline Calendar One Season: From May 22nd to December 4th, 2026

22-May	29-May	5-June	12-June	17-22 June	26-June
Episode 1	Episode 2	Episode 3	Episode 4		Episode 5
Introduction	A new philosophy beyond circular economy	Sustainability: Beyond caring for the land Part I	Sustainability: Beyond caring for the land Part II	Teacher´s week Pedagogical Pause El Salvador	New Models of Ownership & Corporate Governance

3-July	10-July	17-July	24-July	31-July	07-August
Episode 6	Episode 6A	Episode 7	Episode 8	Episode 9	Episode 10
Customer Segments	Customer Segments Version 2.0	Value Propositions I	Value Propositions II	Distribution Channels	We will work on vacations Certifications Quality Control

14-August	21-August	28-August	11-Sept	25-Sept	09-October
Episode 11	Episode 12	Episode 13	Episode 14	Episode 15	Episode 16
Key Resources Part I Indonesia	Key Resources Part II Indonesian Cacao	Revenue Streams Cost Structure Ethiopian Coffee	Competitiveness Research & Innovation Brazil Coffee	Financing & Access to Capital Colombian Coffee	Key Partnerships Honduras Coffee

This outline is subject to change if the author considers it appropriate for your learning experience.

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ADDITIONAL BONUS MATERIAL

Outline Calendar One Season: From May 22nd to December 31st, 2026

16-October	23-October	30-October	6-Nov	13-Nov	20-Nov
Episode 17 ✓	Episode 18 ✓	Episode 19 ✓	Episode 20 ✓	Episode 21 ✓	Episode 22
Cacao Industry Analysis Cameroon	Cacao Industry Analysis I Nigeria	Cacao Industry Analysis II Nigeria	Cacao Industry Analysis I: Perú	Cacao Industry Analysis II: Perú	European Chocolate Industry Analysis I: Germany, Belgium and The Netherlands

27-Nov	04-Dec	11-Dec	18-Dec	25-Dec	31-Dec
Episode 23	Episode 24	Episode 25	Episode 26	Episode 27	Episode 28
European Chocolate Industry Analysis II: Germany, Belgium and The Netherlands	Global coffee shops-retailers Industry Analysis I	Global coffee shops-retailers Industry Analysis II	Upstream Comparative Country Analysis: Coffee	Upstream Comparative Country Analysis: Cacao	Summary and Conclusions Future Research Agenda

31-Dec-2026 to 22-Jan-2027

End of the Year Vacations
Pause & Maintenance

29-Jan-27
Episode 1

First Episode
Human Talent: From Feudal Slaves to Digital Beggars

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Cacao Industry Analysis- Peru. Part 2

AGENDA

Cacao and Coffee 101. Success Strategies for Small Farm Holders

Perú

1. Introduction and Basic Data
2. Economic History at its roots – Alvarez de Toledo
3. Economic History 1980s-2010s

Last Week

1. Economic Structure
2. Trade and macroeconomics
3. Social, education, labor, and poverty situation.
4. Cacao Industry Analysis of Perú
5. **Environmental issues of Perú**

This Week

These will be added on Monday Nov 16th when we upload the strategic reflections.



Photo https://sierranaturals.eu/products/organic-raw-peruvian-cacao-powder-25kg

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Cacao Industry Analysis: Perú Part 2.

Perú Modern Economy basics: What country is Perú at the moment?

All our analysis is based on the bibliography and references slides 23-25

What is Perú now?

The Peruvian economy has a strong export base economy (94 billion in 2025) which represents almost 1/3 of GDP.

But 70% of those exports are from mining of copper, gold, and zinc; only at the upstream section of the value chain.

China is the main trading partner of Perú.

We will study the role of agriculture in this economic GDP matrix next week.



Flag of Perú



Map of Perú: https://www.eiu.com/n/store/products/viewpoint/country-analysis/peru/



Keiko Fujimori
President of Perú (2026-31)

Perú is a nation with a democratic constitutional republic system.
Capital: Lima
Languages: Spanish, Quechua, and Aymara
Currency: Peruvian Sol
Exchange rate (6/11/26):
1 USD = 3.395 Peruvian sols
Territorial Division: 24 departments and the constitutional province of Callao.
During the last 10 years Peru has held a high political volatility—marked by eight changes in the presidency. This is why its GDP growth on average since 2014 has been around 2.5 %.

Perú Basic Variables	Data (World Bank 2025 or 2024)
Population	34,576,665
• Urban Population (million) 85.6%	29,596,363
• Rural Population (million) 14.4%%	4,980,302
• Males (million) 49.7%	17,193,234
• Females (million) 50.3%	17,383,431
• Completed Primary	76.3%
• Completed Lower-secondary education 25+	63.7%
• Completed upper-secondary education (25+)	58.3%
• Completed University Bachelor degree (25+)	14.2%
• Completed a Master degree (25+)	11.9%
• Completed a Doctoral degree (25+)	???
Territory land (km2)	1,285,215
GDP Billion USD (World Bank - IMF)	334.9-341.9
GDP Growth annual %	3.4%
Labor Force (%)	19,242,514
Poverty headcount <$20 pppd (2021)	81.9%
Poverty headcount <$10 pppd (2021)	46.1%
Poverty headcount <$8.30 pppd (2021)	36.20%
Poverty headcount <$4.20 pppd (2021)	10.65%
Poverty headcount <$3.00 pppd (2021)	5.14%

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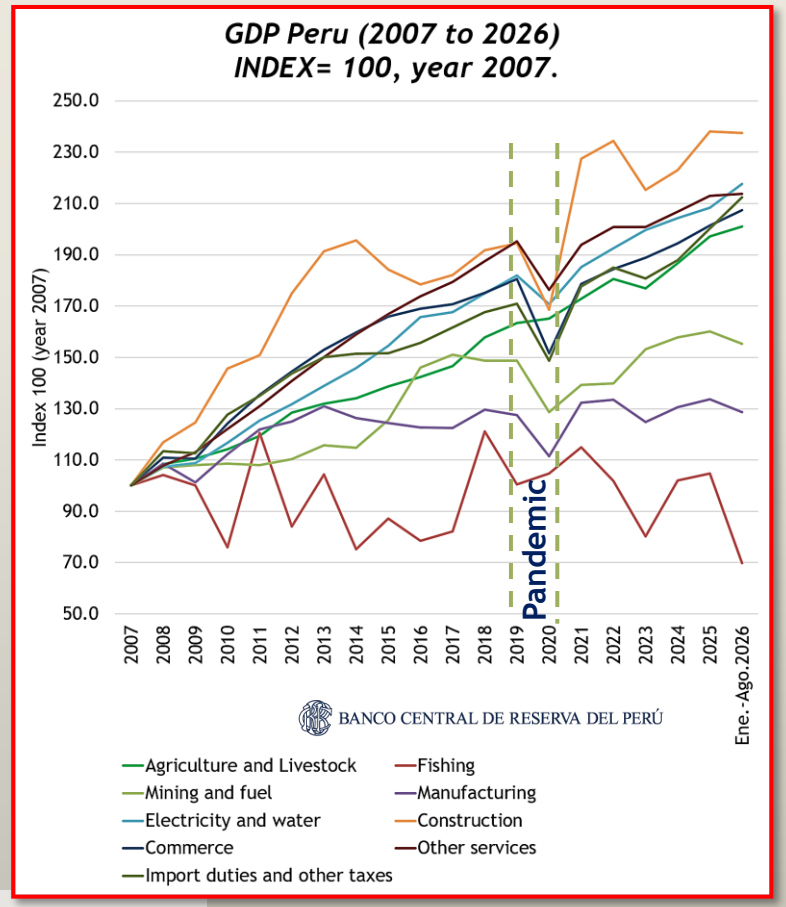
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Cacao Industry Analysis: Perú Part 2.

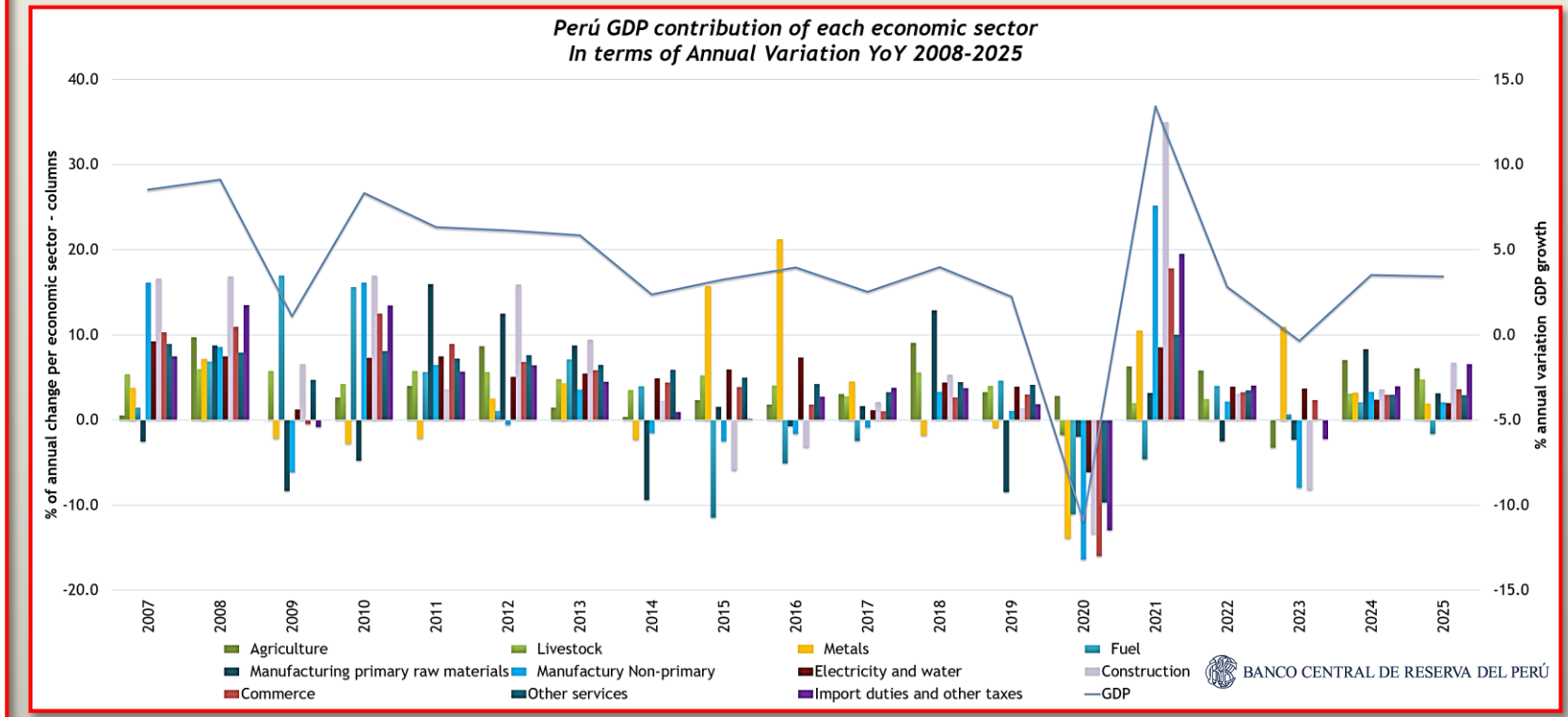
GDP explained by economic sector (supply side)
It measures total output (or production) of a country's economy. The 'output' measure of GDP is calculated as the sum of gross values added by each sector of the economy.
Supply-side economics focuses on production as the key to economic growth.

Perú Economic Structure - GDP per economic sector.

Let´s study the contribution of each sector to annual GDP growth. The big picture of the Peruvian Economy per economic sector



These 2 different graphs indicate how the Peruvian economy has kept its GDP growth at 5.4% until the pandemic. Look how the different sectors counterbalance when there is a contraction in another. This is a very diversified economy.



All our analysis is based on the bibliography and references slides 23-25

All graphs prepared by Eleonora Escalante Strategy. Data Source:
https://www.bcrp.gob.pe/estadisticas/cuadros-de-la-nota-semanal.html

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Cacao Industry Analysis: Perú Part 2.

Perú Economic Structure: GDP per domestic demand

Now let´s study the contribution of each sector to annual GDP growth from the view of the type of expenditure (in percentage change YoY).

The GDP can also be measured from the perspective of type of expenditure (domestic demand). The main variables to consider are:

1. **Private consumption**
2. **Public consumption (government)**
3. **Private Investments**
4. **Public Investments (government)**
5. **Net Exports: Exports (-) imports (also called balance trade).**
6. **Change of inventories**

Keynesian economics is demand-side, emphasizing consumer demand as an economic driver.

When net exports do not variate positively year over year.

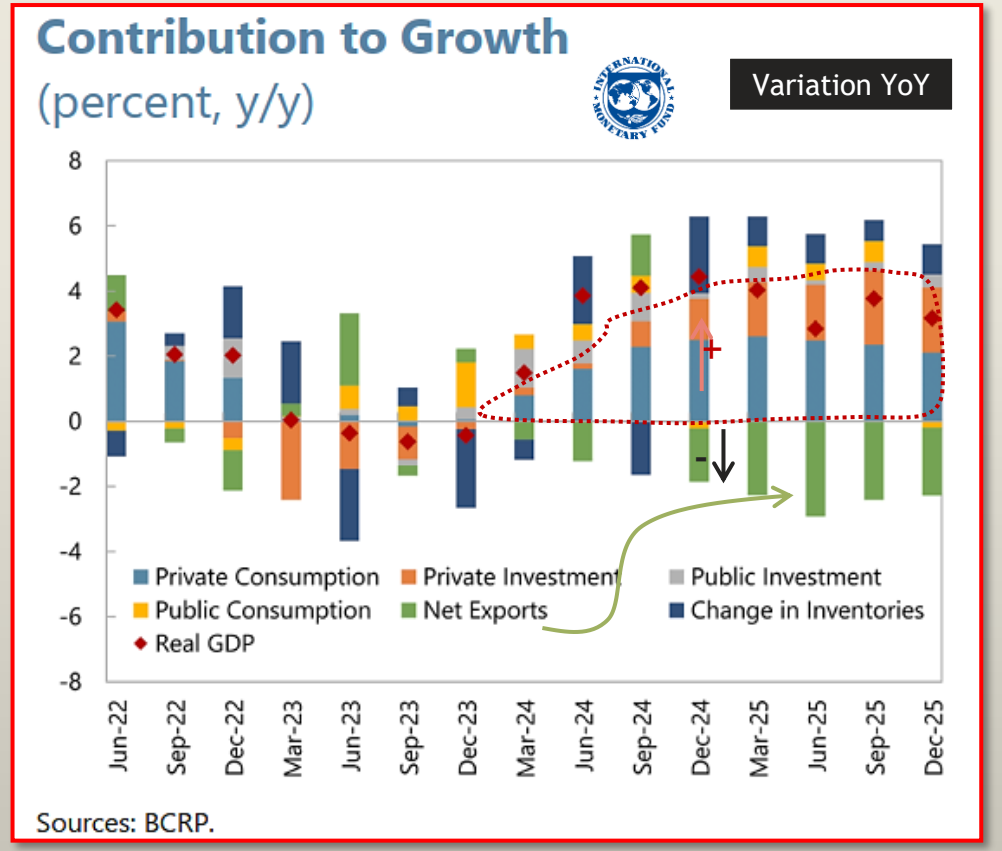
The importance of monitoring on time and properly is an art that must be executed by the government authorities. In advance, Central Banks are compelled to forecast potential difficulties with its respective causes.

The more diversified it is an economy in its export's matrix and domestic investments and consumption, the better possibilities to counteract political, economic, environmental, and war disasters (as Hormuz or Ukraine).

This is why information should flow with integrity, in human truth from the genuine sources. Otherwise, governments could be mistaken, particularly if they start to rely on AI tools with wrong data. The core peril of AI is its essence: it is not humanly sourced.

Let´s observe the growth of GDP of Perú in terms of variations YoY and measured between June 2022 to December 2025.

- The GDP is shown with the red diamond marker: ◆ . With exception of the period between march-dec 2023, the annual GDP growth is positive % variation (Real GDP).
- Each of the columns shows the aggregated (or decreased) variation with respect to the month of previous year. We can see that private consumption is driving the GDP growth since March 2024, all together with private investments (color orange)
- However, see the net exports (trade balance) color green , despite that it is positive (we saw it in last slide), but it is not growing with respect to last year (from dec-24 to dec-25)
- From the side of the demand: The government of Perú and the private sector of Perú have understood how to balance its economic structure appropriately, keeping positive GDP annual variations. Peruvians have learned how to counteract the impact of negative annual YoY variations, either by augmenting private investments, public consumption and investments (government spending), and stimulating private consumption.
- By monitoring these indicators month by month with respect to previous year, it is possible to detect troubles and mobilize shock-absorbers per industry or per domestic demand actions in other economic sectors.



Source: IMF IV Article Consultation Report Perú. May 2026

All our analysis is based on the bibliography and references slides 23-25

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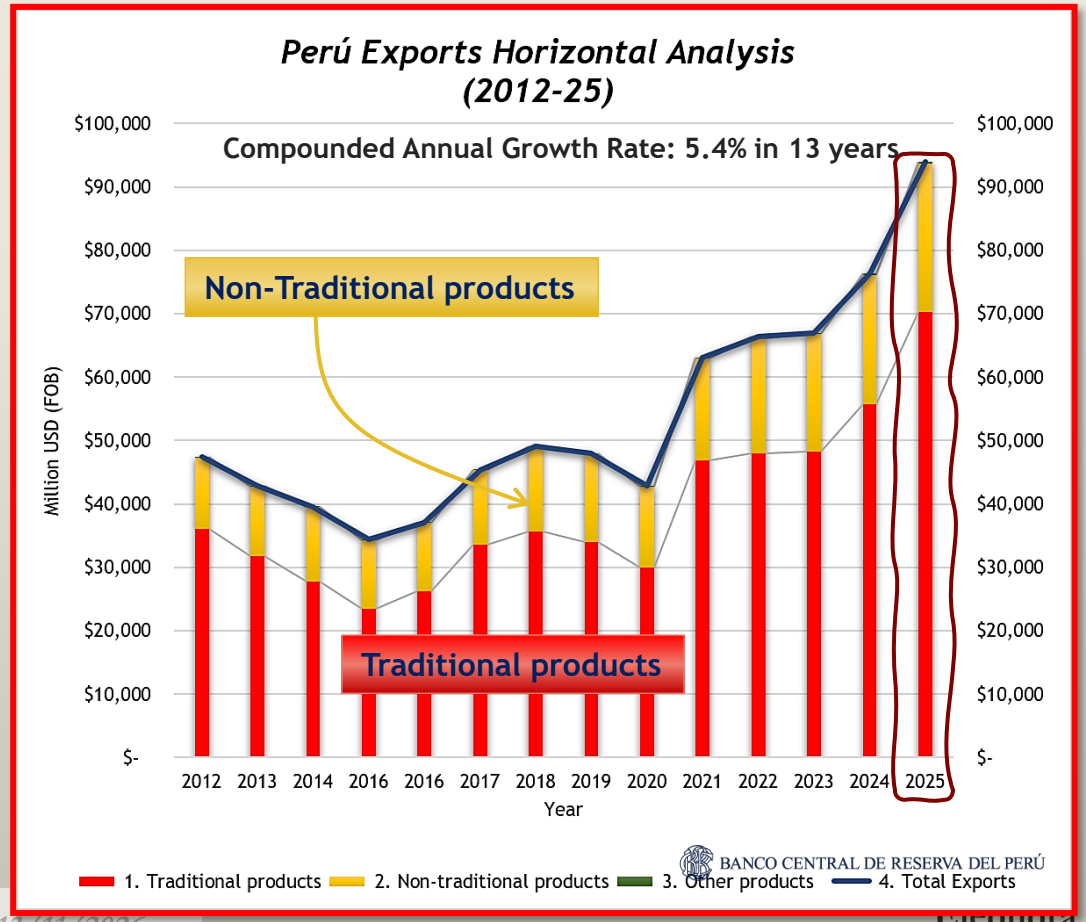
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Cacao Industry Analysis: Perú Part 2.

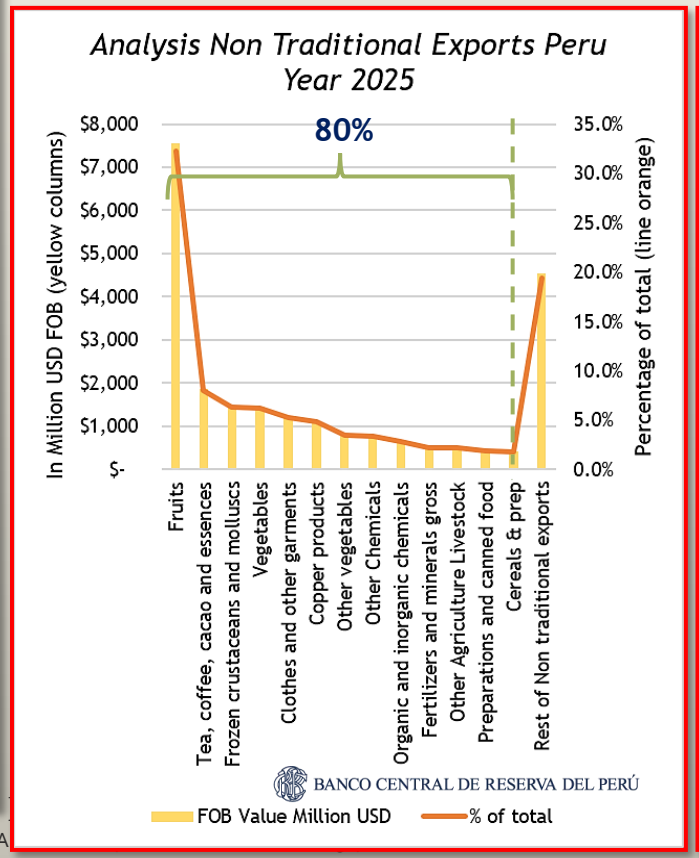
Perú: Economic Structure - Exports and Imports

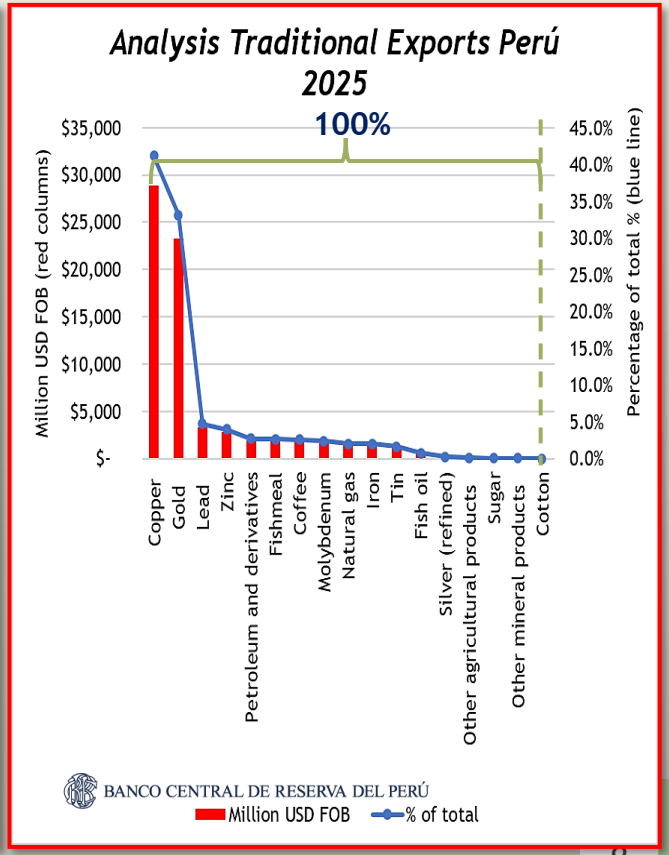
All our analysis is based on the bibliography and references slides 23-25

Let´s study the horizontal progression of Peruvian exports from 2012 to 2025



Let´s analyze the year 2025 to comprehend which products are the most relevant ones in the export matrix of Perú: The main products are: Copper, Gold, Fruits, Lead, Zinc, Petroleum. Cacao is a tiny percentage in all this analysis (in monetary values FOB Million USD).





All graphs prepared by Eleonora Escalante Strategy. Data Source:
https://www.bcrp.gob.pe/estadisticas/cuadros-de-la-nota-semanal.html

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Cacao Industry Analysis: Perú Part 2.

Concept:
Definition of Trade balance.
The trade balance (Balance of trade) is the difference between exports and imports. It may measure visible (merchandise) trade only, or trade in both goods and services.

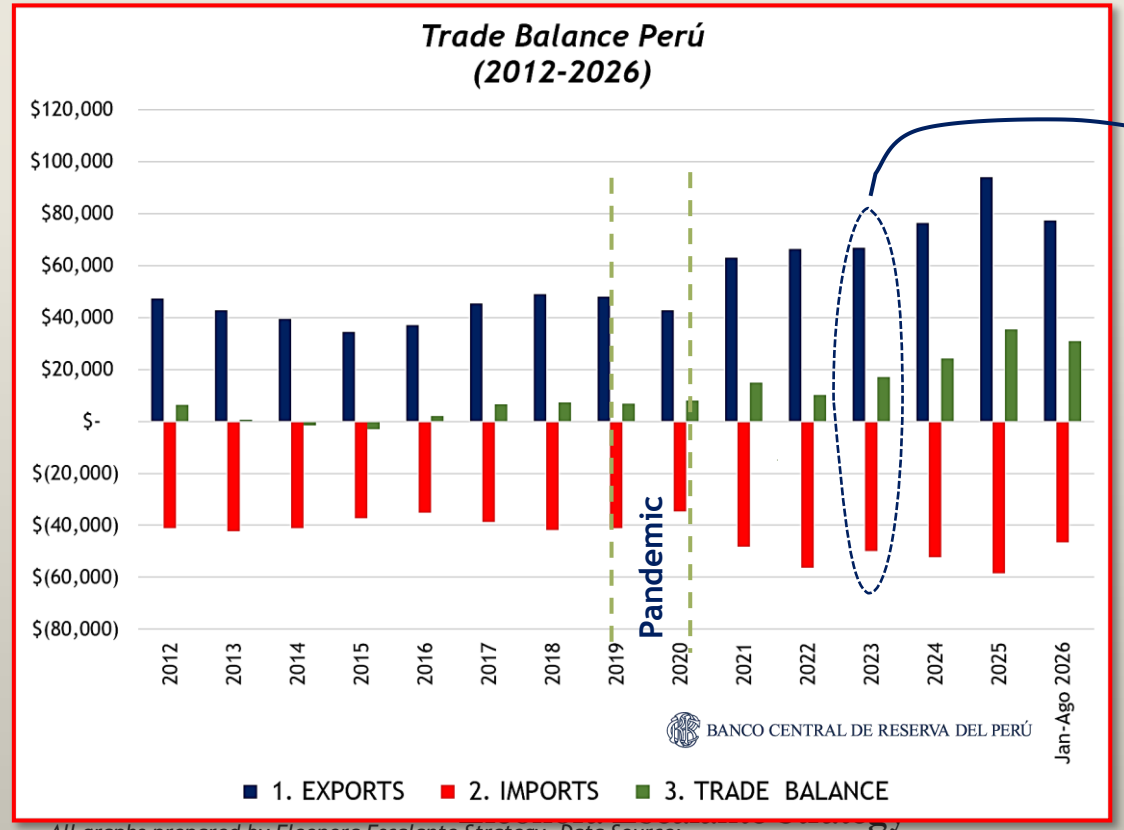
Perú economic structure: Balance of Trade

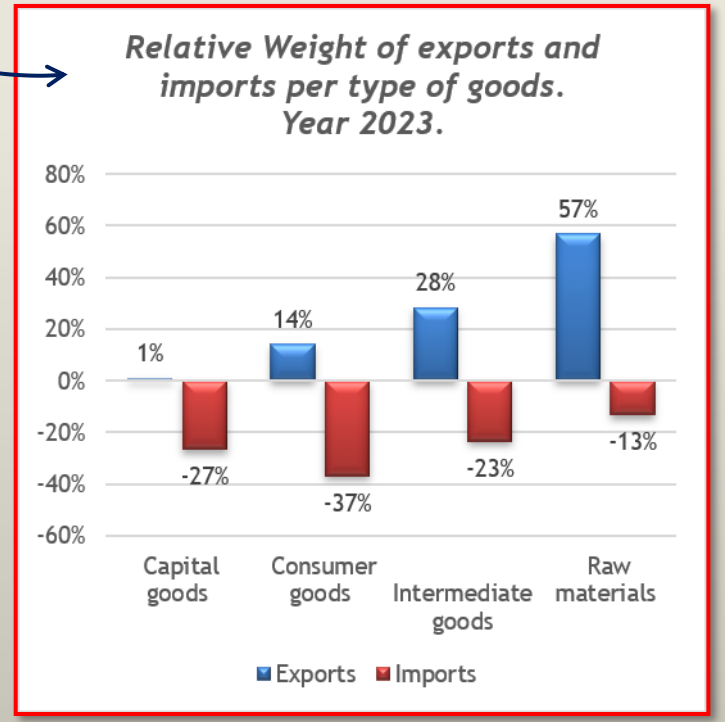
Let´s observe the balance of trade of Perú (Exports, Imports, and the balance of trade).

The main exports of Perú are commodities. Mainly Gold and Copper, which are considered as traditional products belonging to the upstream industries (extraction-raw materials). Non-traditional products are fruits, cacao, & frozen crustaceans.

See next slide for further information.

According to the Central Bank of Perú reports, the Balance of Trade has been positive in every year since 2012, with exception of years 2014 and 2015.





Graph prepared by Eleonora Escalante Strategy. Data Source: WITS World Bank, Perú Year 2023

All graphs prepared by Eleonora Escalante Strategy. Data Source:
https://www.bcrp.gob.pe/estadisticas/cuadros-de-la-nota-semanal.html

All our analysis is based on the bibliography and references slides 23-25

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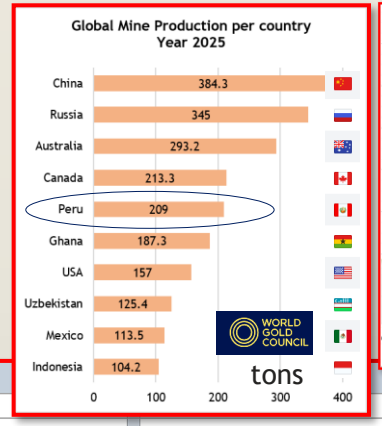
Cacao Industry Analysis: Perú Part 2.

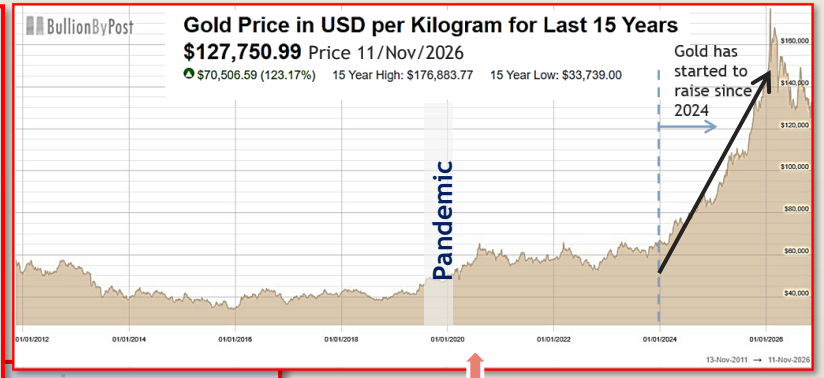
Perú Economic Structure: Balance of Trade.

What is driving Gold and copper production and exports for Perú?

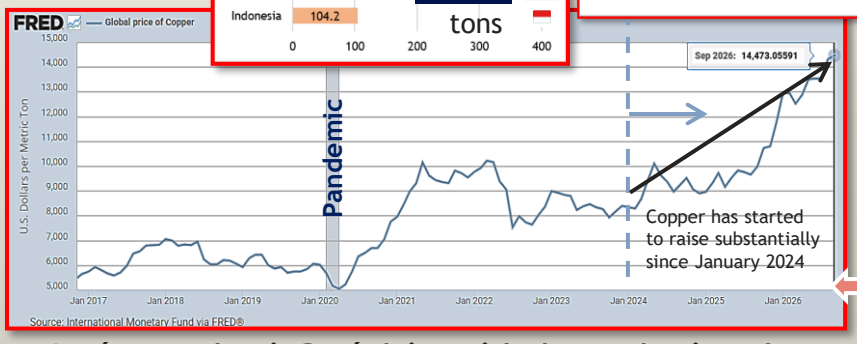
Perú exported 209.64 tons of Gold in 2025
Source: BCRP.

Conversion: 1 Kg = 32.150747 ounces troy



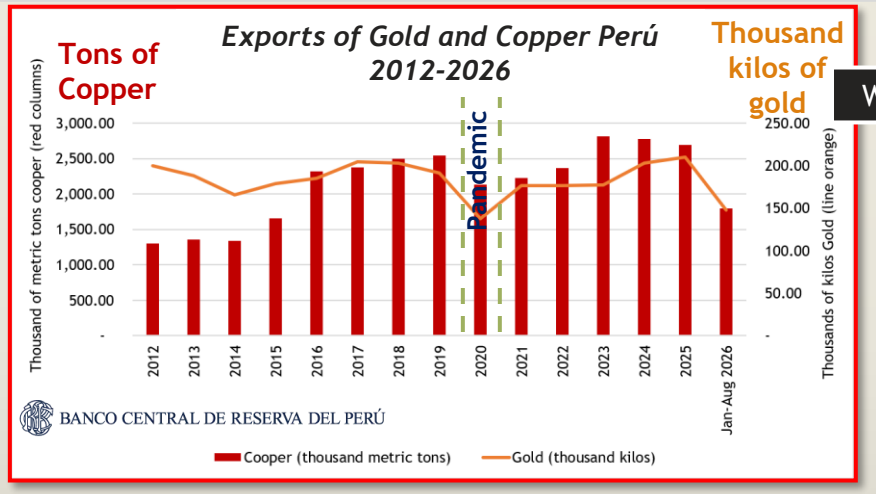


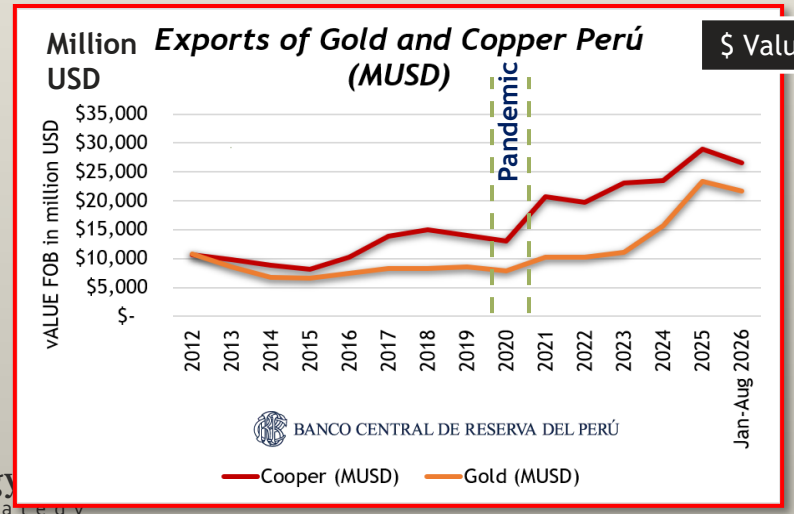
Price of gold per kilogram. Data Source: https://www.bullionbypost.com/gold-price/15year/kilograms/USD/#show-chart



Price of Copper: Source, Federal Reserve St. Louis. https://fred.stlouisfed.org/graph/?g=cV99

Traditional commodities began to raise as of Trump 2nd Mandate entrance to the USA presidency (2025).





These 2graphs prepared by Eleonora Escalante Strategy with Data Source from Central Reserve Bank of Peru https://www.bcrp.gob.pe/estadisticas/cuadros-de-la-nota-semanal.html
The Gold mine production graph was prepared with data from the World Gold Council. https://www.gold.org/goldhub/data/gold-production-by-country

Let´s see what is Perú doing with the production of copper and gold (the two higher traditional exports):

- Since 2023/2024, the price of gold per kilogram has almost doubled.
- Gold and copper are the two star commodity exports of the Peruvian economy. Given the higher prices of Gold, it was natural for Perú to increase its production to profit
- However, the risk of putting all "the eggs in one basket" happens when the economy relies only in one economic sector, because it remains susceptive to other shocks (as global disasters, conflicts, logistic bottlenecks as Hormuz clashes, etc.).

All our analysis is based on the bibliography and references slides 23-25

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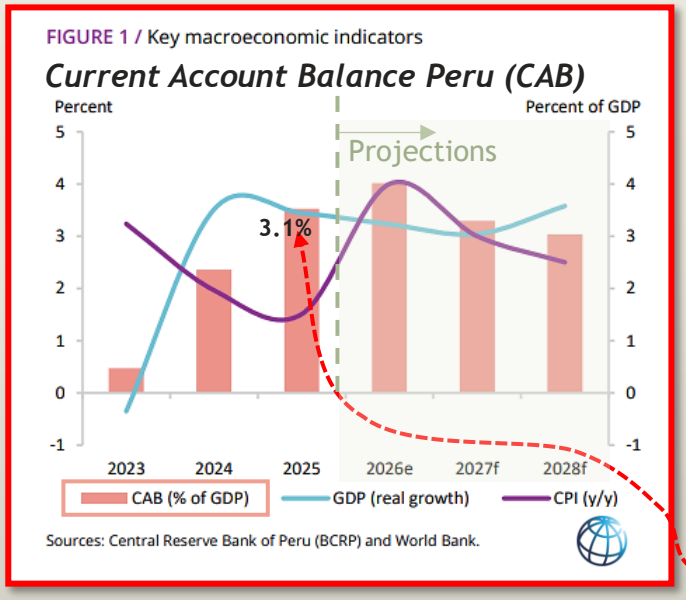
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Cacao Industry Analysis: Perú Part 2.

Definition of Current Account Balance (CAB): It is the balance of trade in goods and services **plus** net rents, interest, profits and dividends and current transfer payments.

Cacao Industry Analysis

Let´s understand the Current Account Balance of Perú (CAB)



Macro Poverty Report Perú:
https://thedocs.worldbank.org/en/doc/e408a7e21ba62d843bdd90dc37e61b57-0500032021/related/mpo-per.pdf

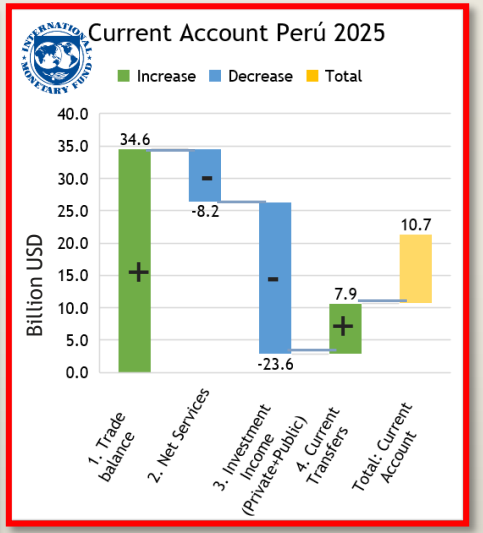
Perú Current Account Balance: 2021 to 2025 and further projections to 2031

Table 6. Peru: Balance of Payments
(billion US$; unless otherwise noted)

	2021	2022	2023	2024	2025	Projections 2026	2027	2028	2029	2030	2031
Current Account	**-5.1**	**-10.0**	**0.9**	**6.6**	**10.7**	**13.0**	**9.8**	**4.9**	**1.0**	**-1.8**	**-3.8**
Merchandise trade (Balance Trade)	15.1	10.3	17.1	24.3	34.6	44.7	44.3	40.2	36.1	33.5	32.2
Exports	63.1	66.3	67.1	76.4	93.1	110.3	112.1	111.3	110.3	111.1	113.4
Traditional	46.8	47.9	48.4	55.7	69.4	83.6	84.1	82.3	80.6	80.6	82.1
Mining	39.9	38.3	42.4	48.4	61.8	75.7	76.0	74.1	72.3	72.1	73.5
Nontraditional and others	16.3	18.4	18.7	20.7	23.7	26.7	28.0	29.0	29.8	30.5	31.3
Imports	48.0	56.0	50.0	52.1	58.5	65.7	67.8	71.1	74.2	77.6	81.3
Services, income, and current transfers (net)	-20.2	-20.3	-16.3	-17.7	-23.9	-31.7	-34.5	-35.4	-35.1	-35.3	-36.0
Services	-8.0	-8.9	-8.0	-7.9	-8.2	-10.0	-10.6	-11.2	-11.8	-12.4	-13.1
Investment income	-18.0	-17.2	-15.1	-17.4	-23.6	-29.9	-32.2	-32.8	-32.4	-32.4	-33.1
Current transfers	5.8	5.8	6.8	7.6	7.9	8.2	8.3	8.7	9.1	9.5	10.2
						(In percent of GDP)					
Current Account Balance	**-2.3**	**-4.1**	**0.3**	**2.2**	**3.1**	**3.4**	**2.5**	**1.2**	**0.2**	**-0.4**	**-0.8**

(-)

Source: Current Account Balance calculated by the IMF. Consultation IV. Staff Report May 2026. page 41
https://www.imf.org/en/publications/cr/issues/2026/05/27/peru-2026-article-iv-consultation-press-release-staff-report-and-statement-by-the-576380



The current account of Perú is positive and strong now: Exceptionally terms of trade and the positive commercial expectations on Keiko Fujimori have improved the Current Account since last year.

The Peruvian Central Bank´s Business Expectations survey are positive on Keiko´s promise to support public and private investment. This has increased the levels of investments. The terms of trade are positive and growing, as much as the gross international reserves.

Source;
https://estadisticas.bcrp.gob.pe/estadisticas/series/mensuales/resultados/PD38045AM/html

Calculating the Current Account:
Balance Trade (merchandise) + Net Service + Investment Income + Current Transfers
Example for the year 2025:
(93.1-58.5) + (-8.2-23.6+7.9)
= (34.6) + (-23.9) = **10.7**

All our analysis is based on the bibliography and references slides 23-25

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Cacao Industry Analysis: Perú

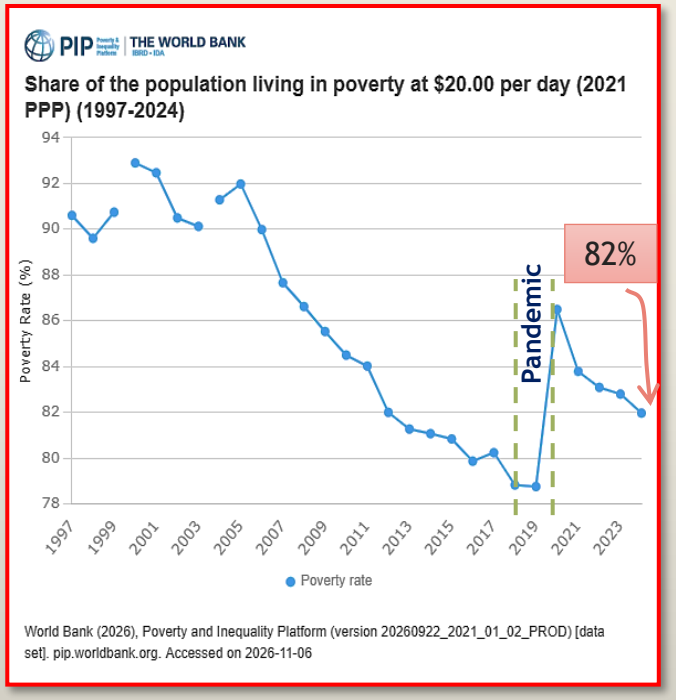
Perú Social Standing: Degree of Poverty and Minimum wage

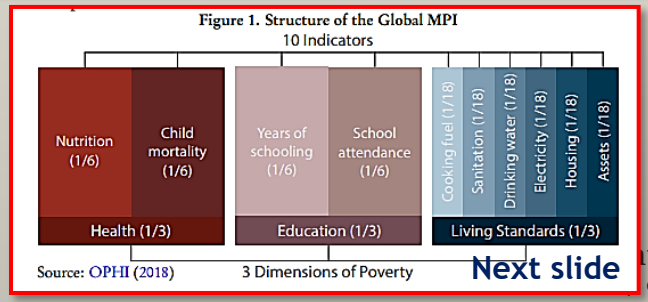
Exchange rate average Oct 2026.

USD	PEN
$ 1	3.40

All our analysis is based on the bibliography and references slides 23-25

How is Perú handling poverty?
Let´s touch the philosophical rationale on how to handle poverty.
One thing is to produce enough to cover the bare minimum of extreme poverty. Another thing is to produce more (expand the GDP to afford the raise of wages) to jump from low class to middle class.
Two different concepts with two different strategies that nations must comprehend.
For example, let´s choose Chad in Africa, one of the extreme poorest nations on earth. For this nation, the immediate social objective should be to overcome extreme poverty. However, for Perú, the goal is different. Perú has almost eradicated extreme poverty, so the immediate social objective should be to overcome the multidimensional poverty elements of the low-class citizens.
How? By raising wages + welfare social policies in education, health, pension benefits, public transportation, public investments in communities, recreation facilities, or others according to each community priorities.





Perú has improved its indicators in relation to extreme poverty. Only 5.14% of the population earns less than 3 dollars per day, but still 36.2% earns less than $8.30 pppd.
However, 46% of the population earns between $8.30 pppd to $20 pppd.
The priority for Perú is to elevate the value of its economy structure (from upstream to midstream and downstream industries), in such a way that companies could raise its operational income and raise the wages to at least $20 pppd (in net terms, after legal deductions). That is the global threshold to begin to move from a low-class citizen to low-middle-class income. For a household of 2 working parents as income providers, the monthly net income would be: $20 x 2 x 30 days=$1,200 dollars (net), which still is low) but it is at least the first step to be part of the global middle class.
At the moment of this publication, the minimum salary in Perú is 1,230 soles per month, which is around US$11.70 to US$12.05 pppd (gross).
Unfortunately, with the arrival of AI, jobs are cut every week, in every nation. When people look for a new job, wages are being reduced, particularly for the intellectual, the artists, and those who attained high-education degrees. Their salaries are starting to be reduced sometimes in half or more, and people who held a stable middle-class status are losing their differentiation strategy that allowed them expect a safe future income flows. Inflation has taken more than 10%-20% of income, and families can´t afford to invest, save or hold net worth.
The more automated and highly pro AI a society is, more inequality is expected to come, because the middle-class net worth is decreasing. So, in terms of wealth creation, the middle class is expected to shrink everywhere in the world. Many high-educated class members in Latin-America are working in 2 or 3 jobs to get enough money to pay the bills and keep the mid-class status.
Let´s explore the levels of poverty of Perú on next slide, including the index of Multidimensional Poverty OPHI-UNDP.

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Cacao Industry Analysis: Perú

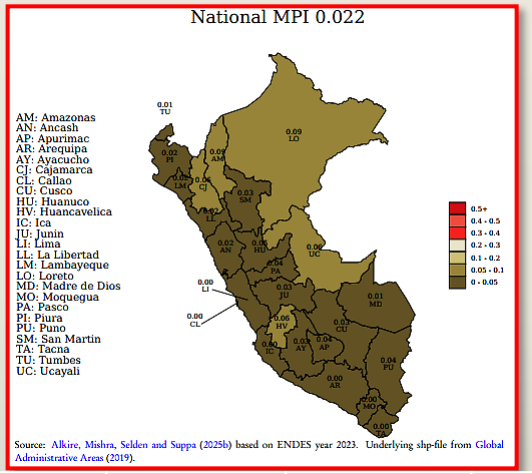
Perú: Multidimensional Poverty

Let´s explore the levels of multidimensional poverty of Perú

Multidimensional Poverty in Perú at a national level is 0.022.

During the last 25 years, Perú has been able to improve its levels of extreme poverty, however there are still elements of multidimensional poverty in every state which need to be addressed by variable of priority.

The government of Perú has calculated the level of monetary poverty as 25.7% (2025), at a national level. This is also called National Poverty line.

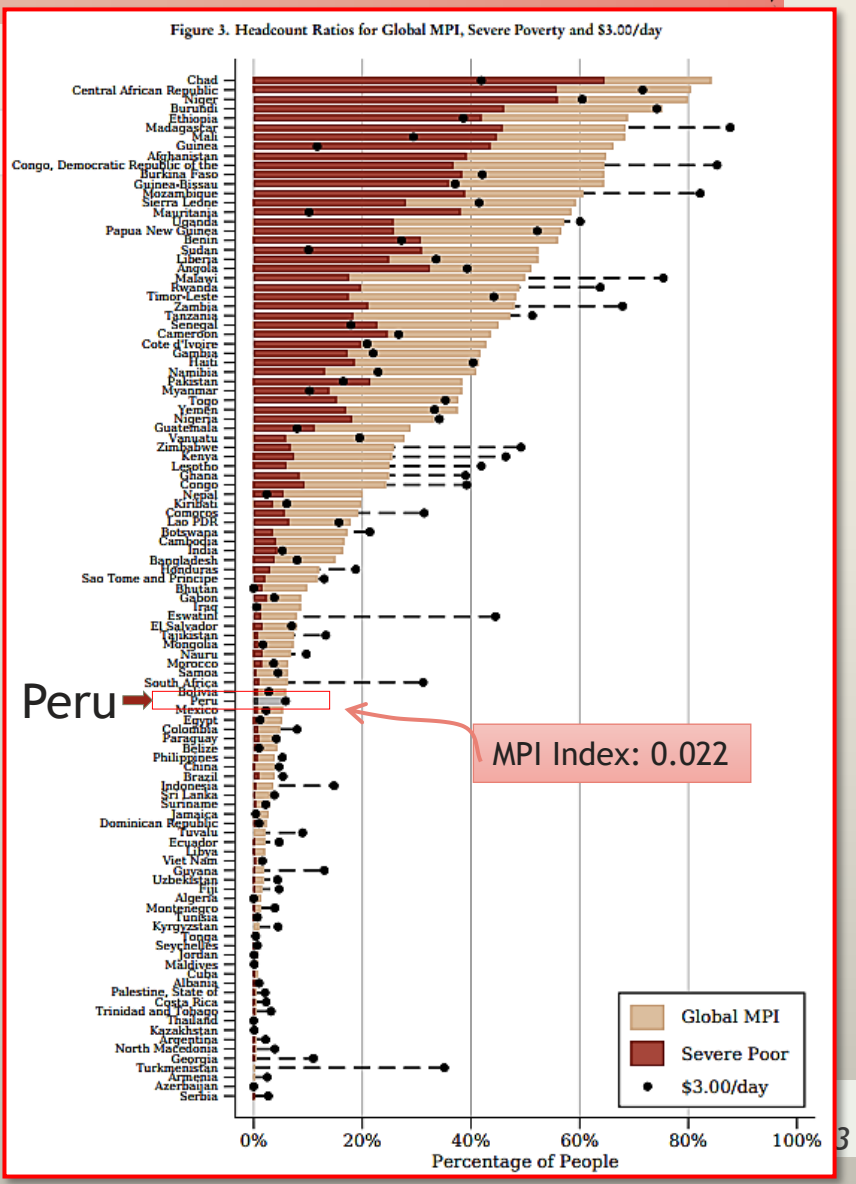


- The poorest states of Perú are Loreto, Amazonas, Ucayali, Huancavelica, and Cajamarca.
- Next in order are Huanuco, Apurimac, and Pasco.
- Remember: The higher the MPI Index, the high level of poverty. We invite you to read the following document clicking below.
- *Source: OPHI Country Briefing Perú September 2026 report. https://ophi.org.uk/media/47017/download*

OPHI
Oxford Poverty & Human Development Initiative

Area of Perú and poorest states below	MPI Index (H*A)	H Incidence of Poverty (%)	A Average Intensity of Poverty (%)	Vulnerable	Severe Poverty %	Population share (%)
National	0.022	5.6%	38.9%	9.9%	0.8%	100%
Urban	0.007	1.8%	37.6%	6.1%	0.2%	77.7%
Rural	0.074	18.9%	39.4%	23.1%	2.7%	22.3%
Loreto (LO)	0.092	21.5%	42.7%	20.4%	7.1%	3.4%
Amazonas (AM)	0.087	21%	41.5%	22.2%	5.6%	1.5%
Ucayali (UC)	0.063	14.8%	42.3%	16.7%	4.3%	1.9%
Huancavelica (HV)	0.062	16.2%	38.3%	19.8%	1.5%	1.1%
Cajamarca (CJ)	0.061	16.3%	37.5%	18.6%	0.8%	4.5%

Peruvian states requiring immediate attention according to the variables of poverty analyzed by OPHI-UNDP



All our analysis is based on the bibliography and references slides 23-25

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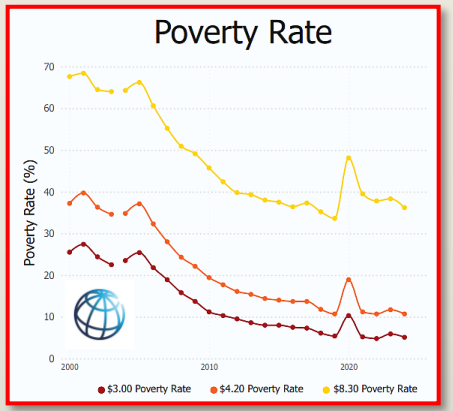
Exchange rate average Oct 2026.

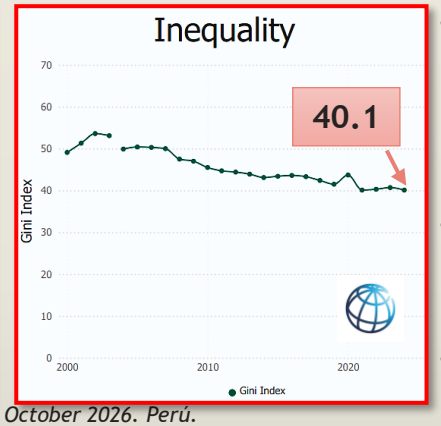
USD	PEN
$ 1	3.40

Perú: More about poverty and Inequality

Perú has improved the levels of extreme poverty indicators. However, there is still a long way to improve inequality.

According to Oxfam, the economic inequality has remained almost the same since the 2000.
1% of wealthy Peruvians captured 42% of all the new wealth (net-worth terms) created during the last 6 years. The poorest 50% got only 1.4% of net-wealth during the same period.
Source: Oxfam-Institute for Peruvian Studies ENADES 2026 publication.





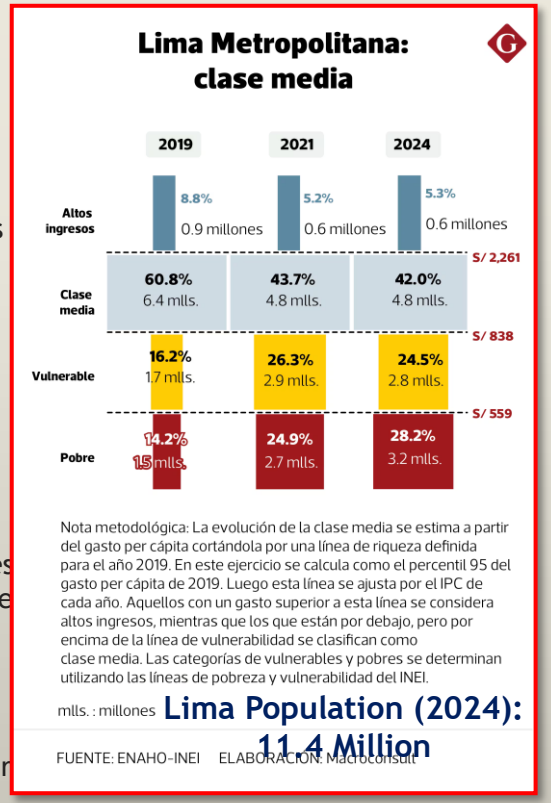
Source: World Bank Poverty and Equity Brief, October 2026. Perú.
https://documents1.worldbank.org/curated/en/099256104222521909/pdf/IDU-b30d5639-8628-4303-8c2c-2f850f0ce5f3.pdf

Let´s look at the reason why the Peruvian economy requires immediate policies and long-term planning actions to start solving inequality.

Peru Poverty analysis 2025		Population:34,576,665
Data: PIP World bank and WB Data Indicators for Perú		In number habitants
$3.00 pppd	5.14%	1,777,241
$4.20 pppd	10.37%	3,585,600
$8.30 pppd	36.20%	12,516,753
$10 pppd	46.14%	15,953,673
$20 pppd	81.97%	28,342,492
National Poverty line	25.70%	8,886,203
Societal Poverty Line	25.40%	8,782,473
Multidimentional Poverty headcount rate WB	6.90%	2,385,790

Let´s look at the example of Lima:

- Perú has defined the middle class as an individual who earns between S/838 to S/2,261 (in USD: $246 to $665/month). On average the income per day for the middle urban class of Lima: $15 pppd or monthly wage of $450 dollars.
- For Eleonora Escalante Strategy the minimum threshold to start to be considered middle class should be $20 pppd or $600 dollars (net after taxes and social retentions).
- To fix this situation, in theory, enterprises should raise the value of their products and services to raise the wages in cascade effect. However, this rule only applies to "certain" economic sectors that do not affect the consumer basket budget, otherwise an over-rampant inflation is worst.
- For example, traditional high value commodities as gold and copper (products not included in the basic consumer basket of the population) can raise in value in foreign markets, pay more taxes to the government, taxes that will return to the bottom population in public investments as improvement of community infrastructure, or any other palliative welfare measures as subsidizing agriculture. There are plenty of ideas on how to raise the quality of life of more than 28 million of Peruvians!



Lima Population (2024): 11.4 Million

https://gestion.pe/economia/proximo-gobierno-de-peru-recibiria-a-menos-del-40-de-la-poblacion-en-clase-media-y-un-25-de-pobreza-segun-data-de-macroconsult-noticia/

A multidimensional approach for Perú: how to raise the quality of life of the 80% of the population while caring for the environment?

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Exchange rate average Oct 2026.

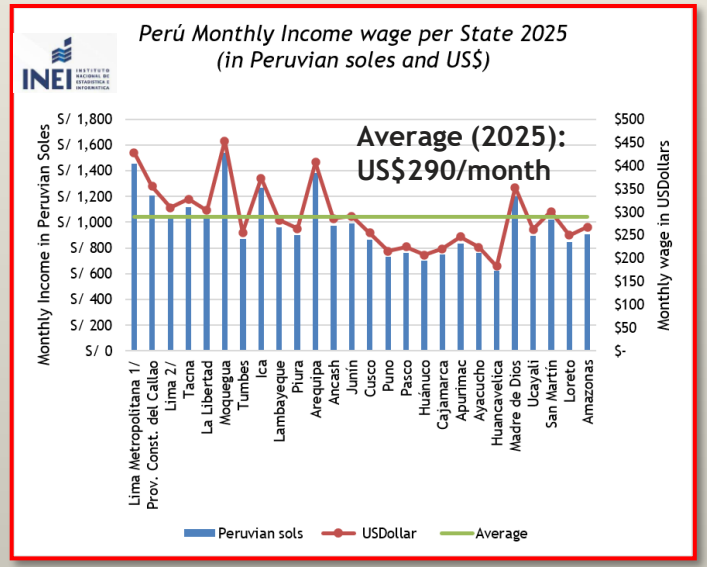
USD	PEN
$ 1	3.40

Perú: Employment, Underemployment, informal jobs

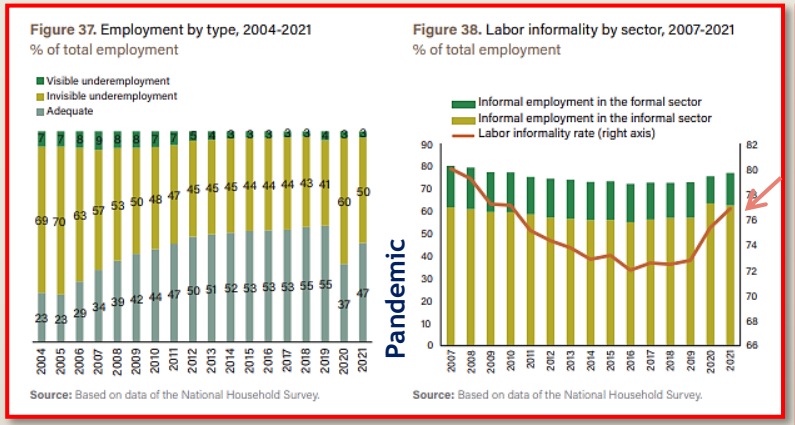
Perú state of affairs in relation to minimum wage, employment, labor cost for an employer and informality

Informality of labor in Perú is at the order of 70% to 75%.

According to the INEI (Perú), the 2025 average national income per month was $290 dollars (S/985 soles). However, there are certain departments in which the worker received underneath that, and without social security benefits. See graph below.



Graph Prepared by Eleonora Escalante Strategy with Data source. https://www.gob.pe/institucion/inei/informes-publicaciones/8088591-peru-evolucion-de-la-pobreza-monetaria-2016-2025

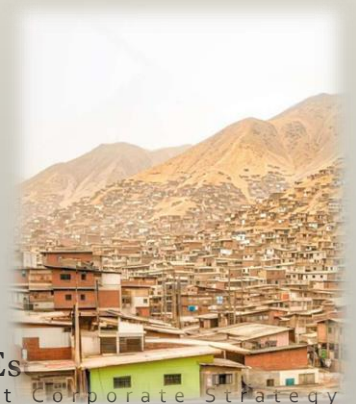


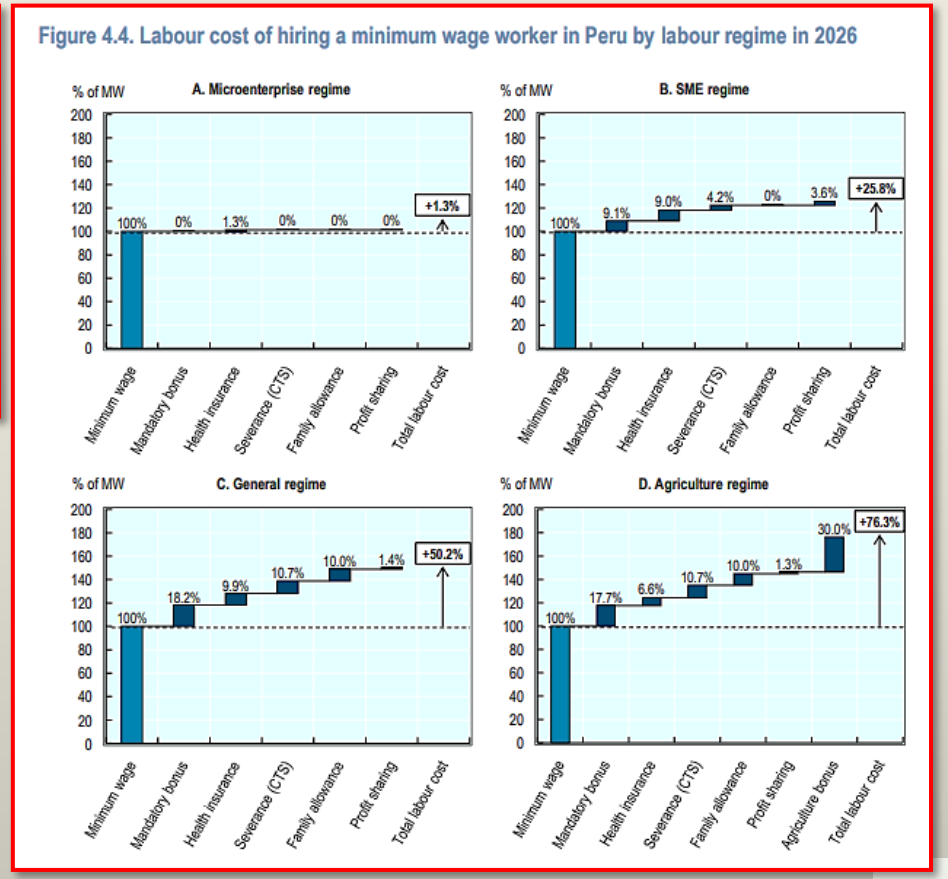
Source: Rising Strong: Perú Poverty and Equity Assessment, World Bank Report 2023. https://documents1.worldbank.org/curated/en/099042523145533834/pdf/P17673806236d70120a8920886c1651ceea.pdf

People in Peru is earning enough to eat, pay a minimum household and basic services bills.

Yet, the minimum wage doesn´t cover the minimum required on quality of living standards and assets.

The next step: move from low class citizenship to middle class.





Source: https://www.oecd.org/en/publications/oecd-tax-policy-reviews-peru-2026_47e6c63e-en.html

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Exchange rate average Oct 2026.

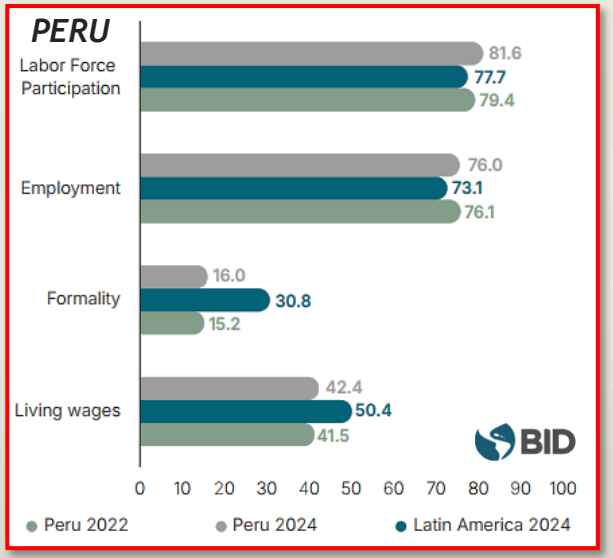
USD	PEN
$ 1	3.40

Perú: Quality of jobs vs. Quantity?

All our analysis is based on the bibliography and references slides 23-25

Perú Quality of Jobs

An interesting observation about jobs in Perú:
The people of Perú is working and working a lot but under informality (not receiving job benefits as health insurance, paid vacations, and an adequate pension fund).
The living wages are not enough to raise them out from multidimensional poverty.
The minimum wage of S/1,230 soles per month do not cover the basic standard of consumption.
While most of the workers belong to the Small or micro-entrepreneurship sector: 73% own an informal business and employ informal workers.
A microenterprise is the one that employs the owner (self-employed, and between 0 to 5 additional workers.



Source: IDB Better Jobs Index Spanish America. 2026
https://www.iadb.org/en/blog/labor-markets/better-jobs-index-2026-employment-quality-improves-informality-remains-challenge

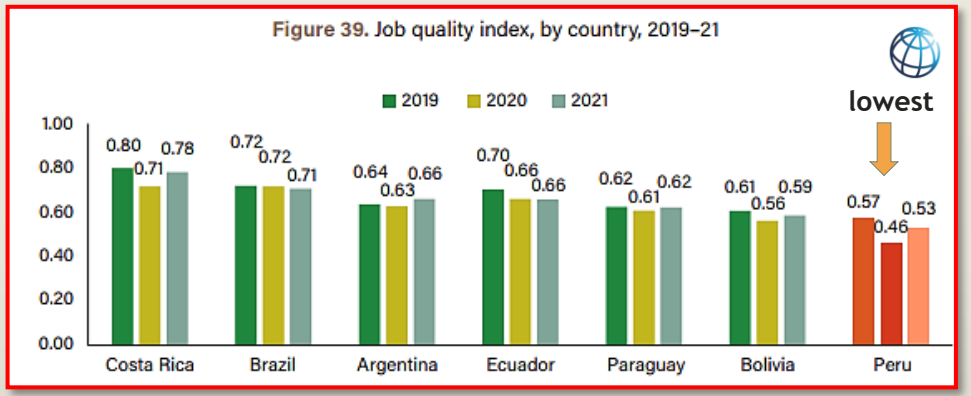
Anker Thresholds (2025)	Per. New Soles	US$ dollar
Net living wage	1,496	440
Social security Contributions	421.6	124
Gross living wage	1,921	565

- Perú has a big trouble with labor informality.
- It holds 70% of informal jobs. In numbers below:

Variable (y. 2024)	Million
Working age population	22.4
Labor force	16.9
Employed population	15.7

- The Percentage of employed population from the total of working age population is 70%
- This is why Perú records higher scores than Latin America in labor force participation and employment.
- However, Perú informality is enormous (more than 72% in headcount population), and the living wages are not enough to cover the basics.
- The Anker Research Institute has established the bottom-line living wage for Perú above the minimum salary.

Job Quality Index



Source: Rising Strong: Perú Poverty and Equity Assessment, World Bank Report 2023.
https://documents1.worldbank.org/curated/en/099042523145533834/pdf/P176738062362d70120a8920886c1651ceea.pdf

- ***Perú is still one of the countries with the lowest job quality index in Latin America.*** Even though it has one of the highest number of people working in comparison to other nations of the region.
- The quality of employment is measured in two variables :
  1. Formality: formal jobs relative to the working age population
  2. Living wages: the share of jobs that provide enough income to afford a basic standard of consumption, relative to the working age population. For Eleonora Escalante Strategy the net living wage per day should be $20 pppd or US$600.00/month (net) equivalent to 2,040 Peruvian soles at an exchange rate of 3.40 PEN/1 dollar.

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Exchange rate average Oct 2026.

USD	PEN
$ 1	3.40

Perú: Social Standing and Health

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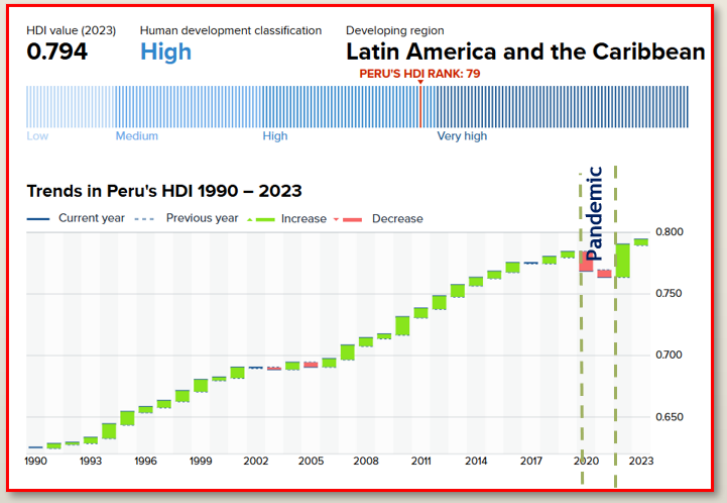
Let´s learn about the Human Development Index (HDI) of Perú

Perú HDI ranks in 2023 as number 79 out of 193 countries worldwide. Not bad, eh?

Yet, the nation has certain issues which are crucial to overcome in relation to raise the "quality" of the access to public services and **net-worth wealth creation.**

Net-worth is not the same as income per year.

If people do not have cash on hand (as savings) plus a portfolio of financial instruments (shares or bonds, or other capital funds) plus patrimony assets (capital as a property or household totally owned-not in debt); people have no net-worth. Nor wealth either.



As a CEOs and Board of Directors representatives, when it comes to artificial intelligence (AI) and application of digital tools, the Peruvian questions should be pivotal to people on the first place:

The bottom-line: if AI/digitalization creates more poverty or unemployment, do not engage with it.

- How many workers will be laid off if I implement the AI/digital plans?
- How many workers will not be hired in the following years, if I implement AI/digital plans?
- How many workers will be kept, but with a salary reduction, or shifting from full time to part time or per hour? Cost Reduction strategy in place.
- Case by case the answer should be determined by each business owner in its respective situation.

The importance of believing and holding high confidence in the government makes life easier:

- Our strategy house approach is positive on Perú, despite that the roadmap to fix substantial social-poverty-inequality issues is a strenuous long way to go.
- Perú has demonstrated that it was possible to raise people out of extreme poverty (living with less than $3.00/day) in 20 years, however, right now, the economy structure requires adjustments in the most important economic sectors that could add value and raise wages. And ultimately produce net-worth to the low- and middle-class citizens.
- However, since 73% of the working age population is a micro-entrepreneur or owns small businesses (in conditions of informality labor), the economic policies should be designed to help this segment of the population, which almost coincides in proportion with the 28 million people coming from family households where the income provider is earning $20 US dollars per person per day (or S/68 soles pppd).
- The question for all the economic leaders of Perú should be: how can we raise the wages (income) of this segment of the population while caring for the environment? Which industries could support it? What economic sectors can return taxes the most to the government, so the government could implement safety and shock-absorbers policies to help further and better? How to test different scenarios and state properly to the 28 million who are waiting for answers?
- How can corporations avoid the trap of the AI that will end up reducing the middle class-income for the long run? It truly depends case by case. But if AI implementation at the company will deepen workers' poverty… then why to do it? AI must not replace people prosperity.

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Perú: Education

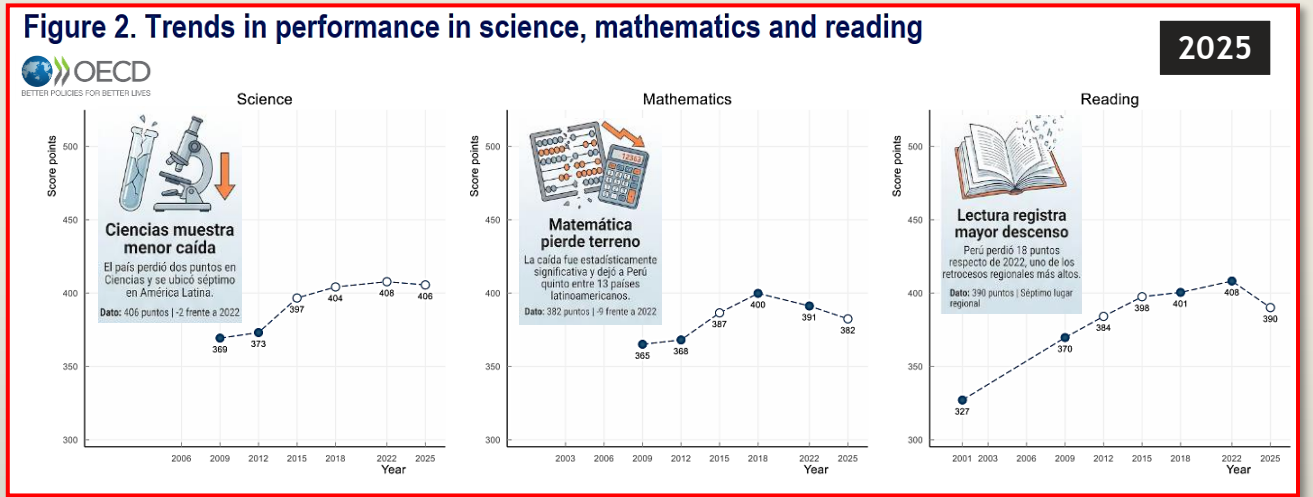
Perú OECD PISA results in math and reading have been affected by AI tools and digital over-exposure.

Peruvian state of education at the level of 15 years old is measured by the PISA test (directed by the OECD).
Peruvian students are not improving in relation to the OCDE average particularly since the advent of AI and digital education.

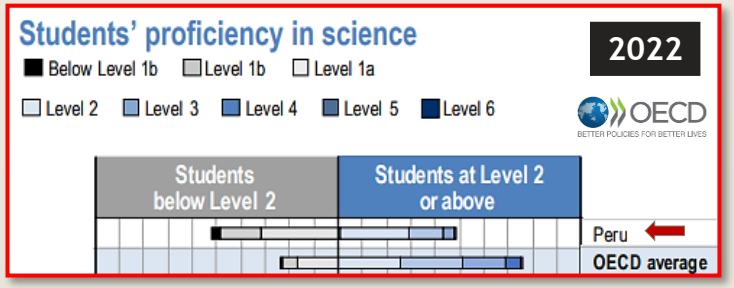


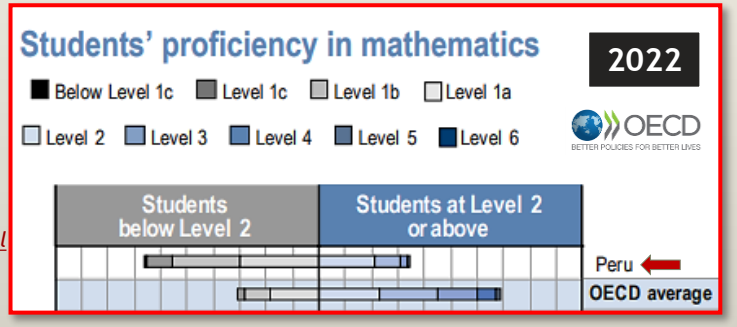
2 de cada 3 No alcanzó el Nivel 2 en Matemática

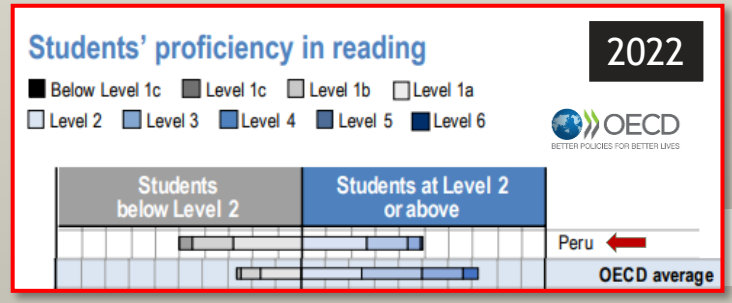
LEVEL 2. Lower Score limit (pass)	PISA Score
Science	410
Math	420
Reading	407



Images Source: https://www.oecd.org/en/publications/pisa-2025-results-volume-i-country-notes_2d4ff9ea-en/peru_0c319189-en.html







2022 Proficiency by area:

- **Science: 408.** One out of two students of Perú has barely accomplished the level 1a which corresponds to low performing levels (not pass the minimum requirement or below level 2)
- **Mathematics: 391.** 2 out of 3 students scored at or below level 1a (low performing level < level 2).
- **Reading: 407.** Half of the Peruvian students can´t read satisfactory. One out of 2 students is below the level 2.

2025 results: These results were lower than 2022 in reading and math, and about the same in science.

Note: Level 2 is the minimum level of proficiency to approve and the minimum scores are shown at your left.

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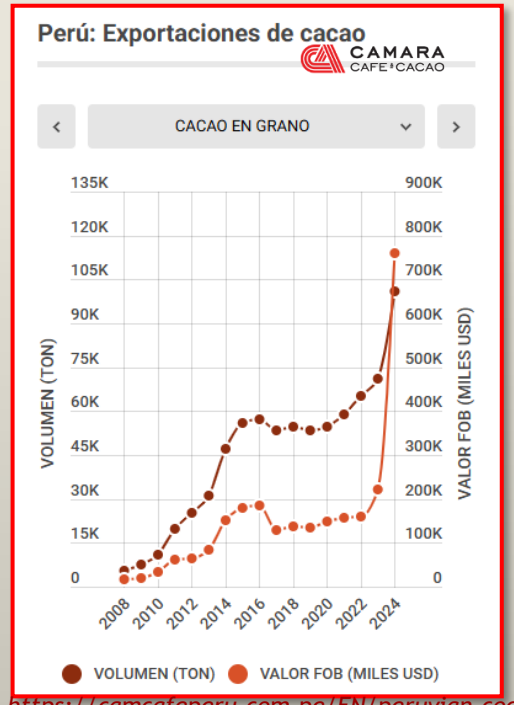
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Cacao Industry Analysis: Perú Part 2.

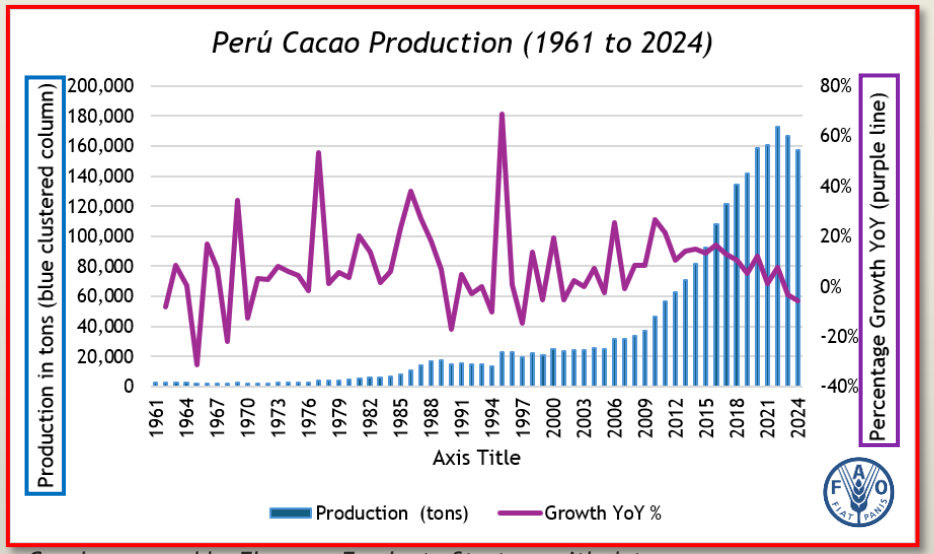
Perú: Cacao Industry Analysis

Let´s see the historical data about cacao in Perú (production, harvested area, and yields)

The cultivation of cacao in different value-added products can help to elevate the quality of life of small farmers in the future.

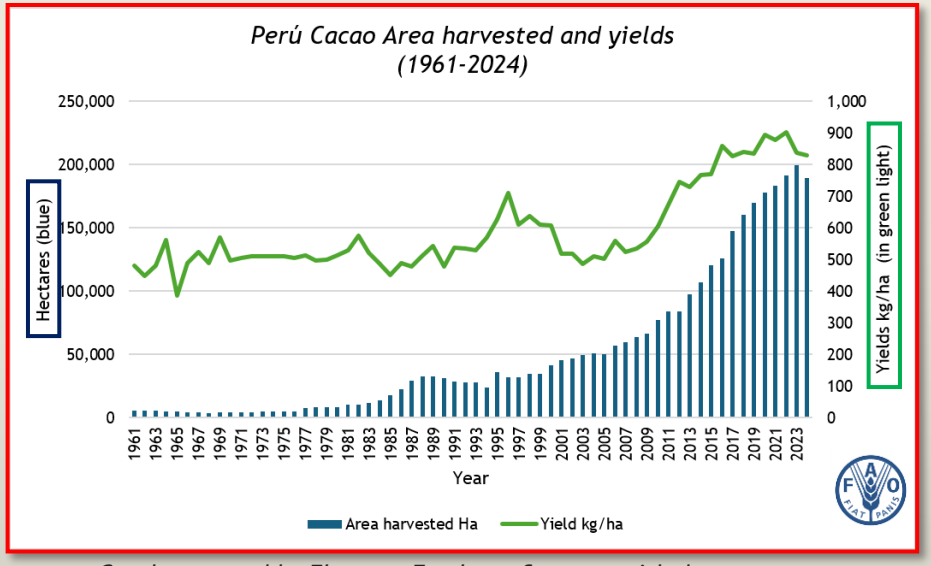


https://camcafeperu.com.pe/EN/peruvian-cocoa-statistics.php



Graph prepared by Eleonora Escalante Strategy with data source:
https://www.fao.org/faostat/en/#data/QCL

Perú is a nation that is relatively new in the cacao business. It has been exporting mainly cacao beans, and just recently (a few years ago) began to diversify into other subproducts.



Graph prepared by Eleonora Escalante Strategy with data source:
https://www.fao.org/faostat/en/#data/QCL

The yields of cacao in terms of kg/ha have improved during the last 20 years.

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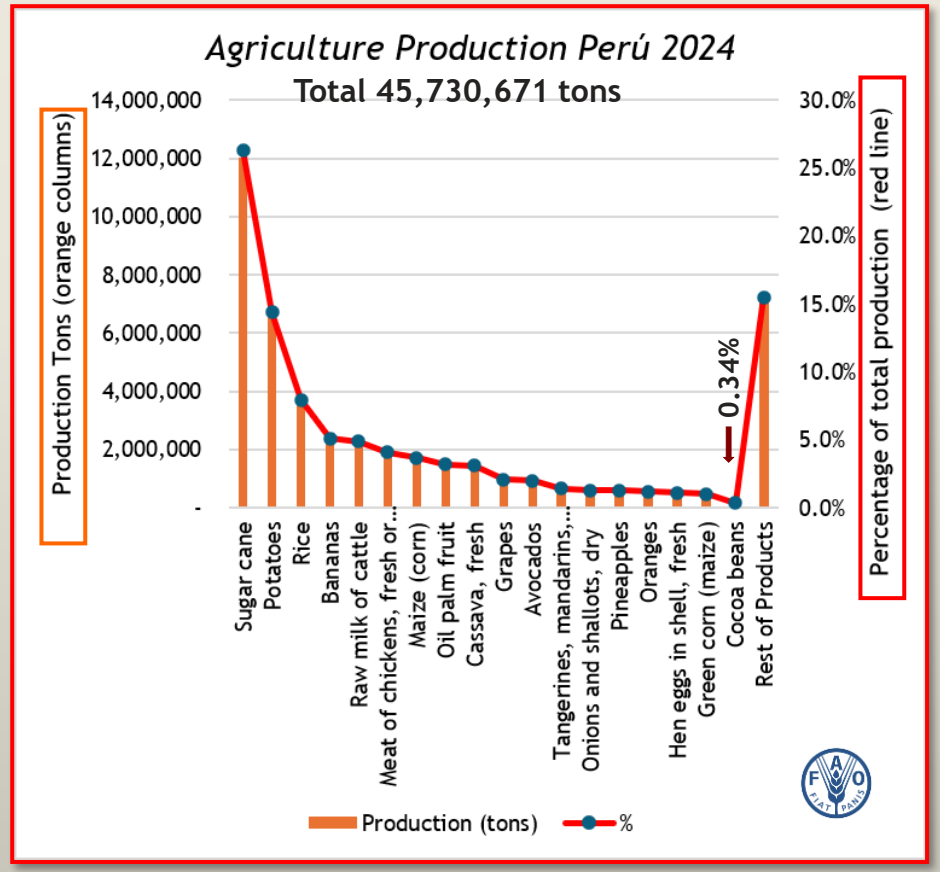
Cacao Industry Analysis: Perú Part 2.

Perú: Cacao Industry Analysis

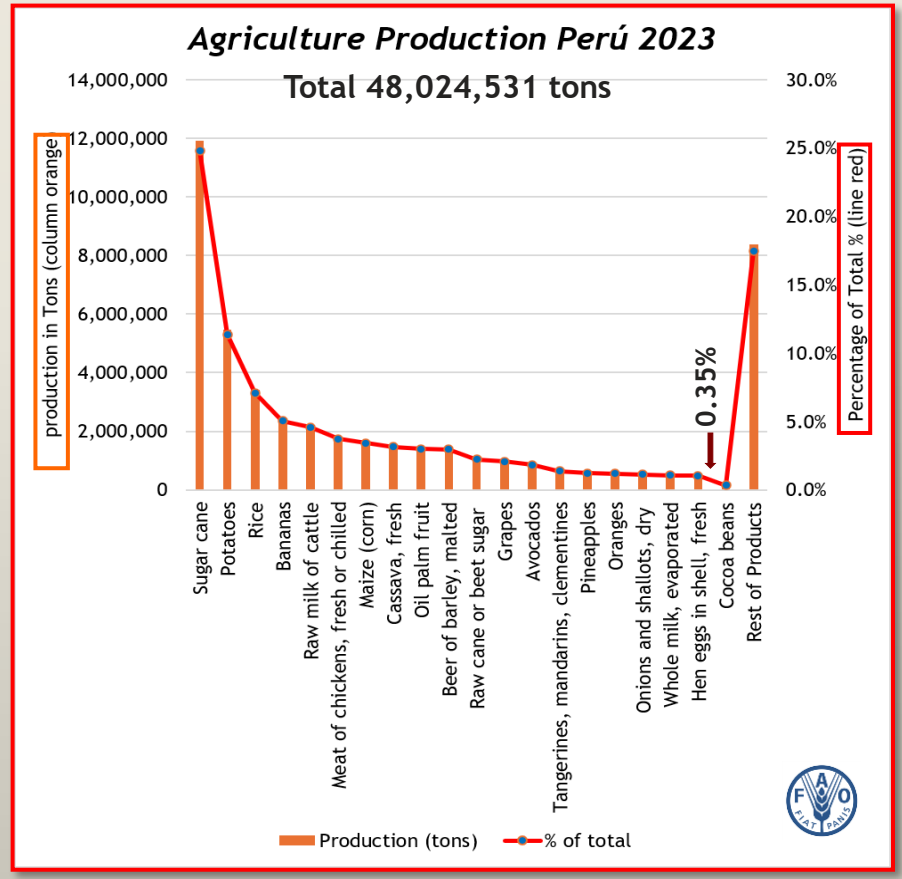
The weight of cacao in the agriculture matrix of Perú.

In terms of weight of production per year, the cacao beans production of Perú is positioned in number 37 (year 2023 and 2024) with 0.35% of the total tonnage per year. In terms of weight (tons), the top four agricultural products of Perú are: sugar cane, potatoes, rice, and bananas.

Perú is a tropical belt nation, with cacao harvests, which are minimum if we compare it with other agricultural products in terms of production tons. However, the value is higher in USD. Imagine all the potential of cacao if well strategized.



Source: https://www.fao.org/faostat/en/#data/QCL



Source: https://www.fao.org/faostat/en/#data/QCL

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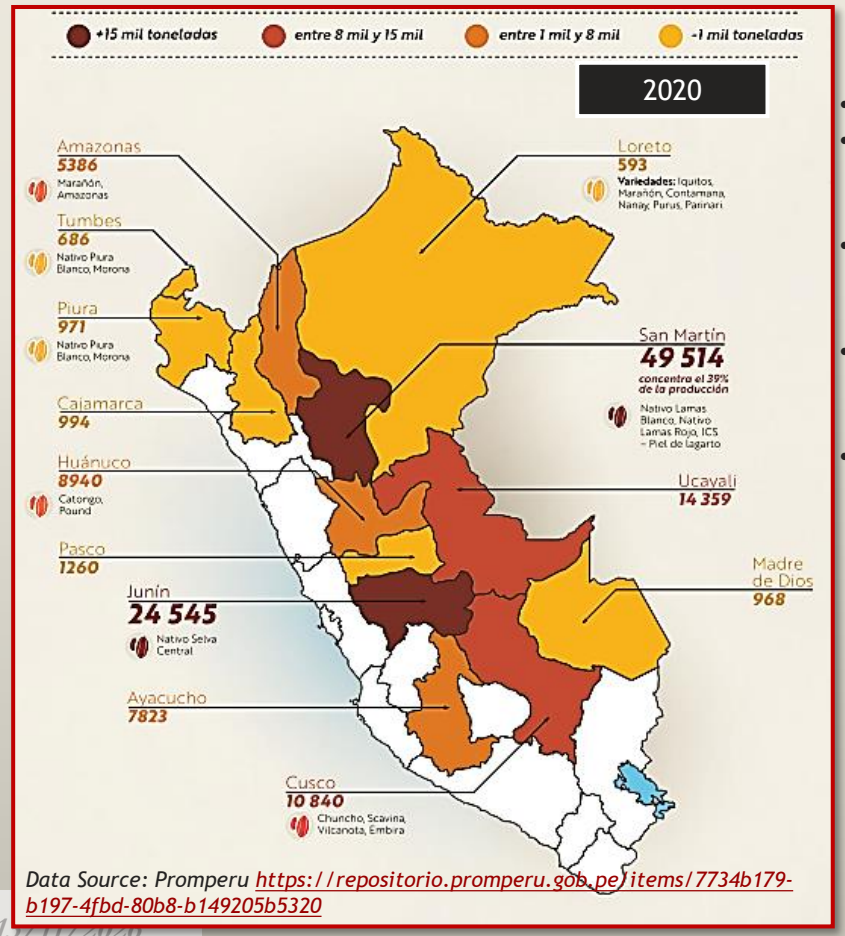
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Perú: Cacao Industry Analysis

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The productive zones of Cacao in Perú.



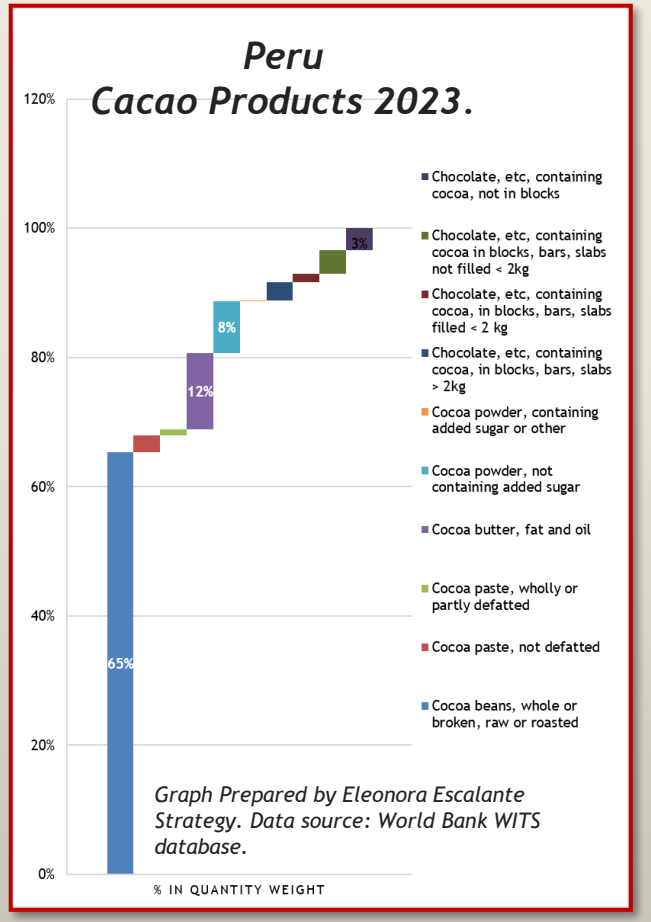
Data Source: Promperu https://repositorio.promperu.gob.pe/items/7734b179-b197-4fbd-80b8-b149205b5320

- According to PROMPERU, the map at your left shows the 13 productive zones of cacao in Perú (year 2020). The most relevant productive departments are 8: In order of production: San Martin, Junin, Huánuco, Cusco, Ucayali, Pasco, Amazonas, and Ayacucho.
- Wild Cacao appears to be situated in Amazonas and Loreto.
- Coincidentally or not, some of the most deprived areas of Perú (with higher % multidimensional poorest Peruvian citizens) are in the same regions.
- Cacao varieties of Perú are of two categories: high-delectable flavor (for fine luxurious tasting), and the standard cacao beans or of lower quality which is used for cacao butter production.
- The product mix of Cacao of Perú is mainly of three categories: cacao beans, cocoa butter, and cocoa powder without sugar (year 2023).



Our strategy house is showing you certain information that could be helpful for small farmers of Perú. However given the top confidentiality levels of business intelligence required, we can only provide some hints, by following certain historic patterns. There is data missing.

Image source: https://camcafeperu.com.pe/EN/peruvian-cocoa-statistics.php



Graph Prepared by Eleonora Escalante Strategy. Data source: World Bank WITS database.

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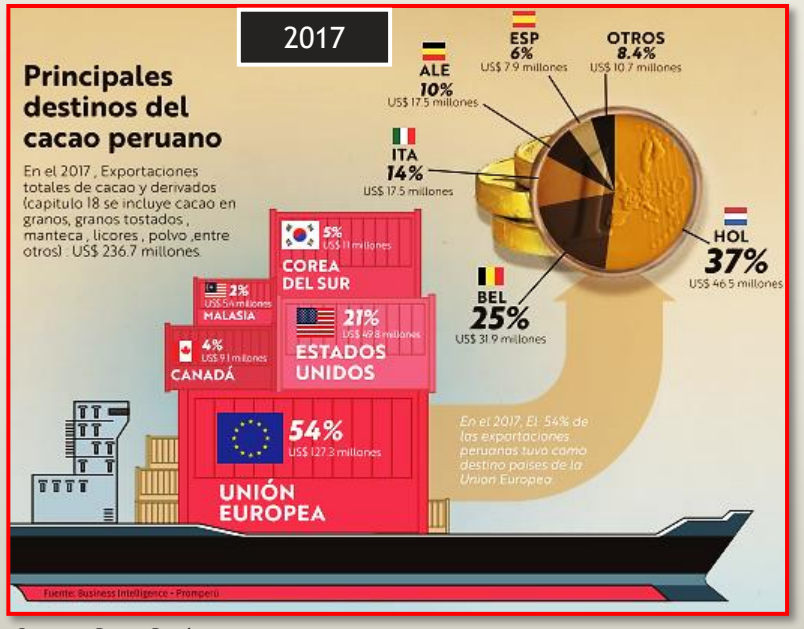
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Cacao Industry Analysis: Perú Part 2.

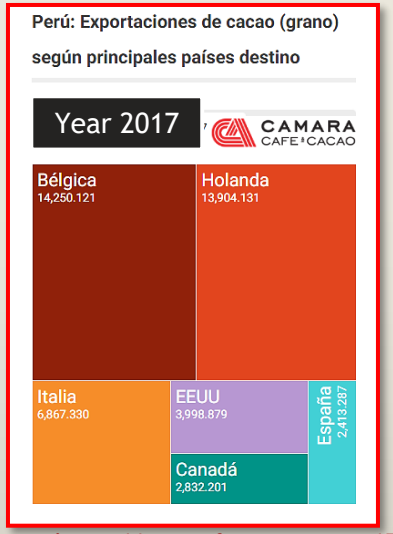
Perú: Cacao Industry Analysis

Where does Perú sell its cacao?

There are different sources of information. See the differences by yourself.

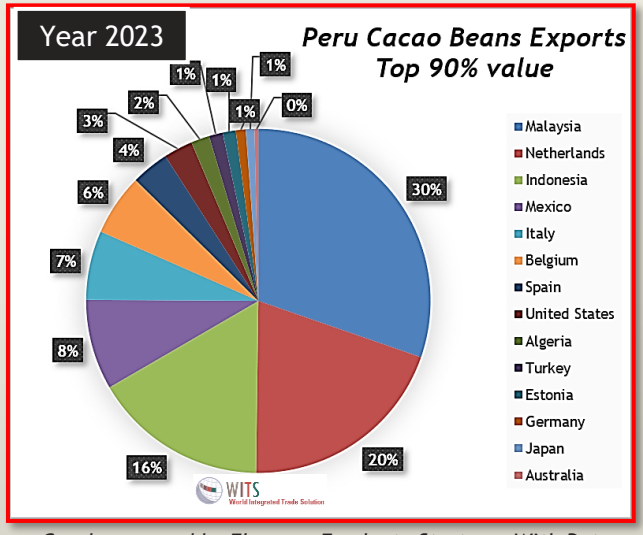


Source: Prom Perú.





https://camcafeperu.com.pe/EN/peruvian-cocoa-statistics.php



Graph prepared by Eleonora Escalante Strategy. With Data from World Bank WITS 180100 Cacao beans Peru exports

To complete the cacao industry analysis of Perú, we must explore the varieties, yields, area expansion, the segmentation of the quality of beans and classification, the terroir and PDO as a differentiation strategy, the economic benefit per each of the cacao products, investments, credit, ecosystem support, technical assistance, find the best Price x Volume, etc: which product of cacao (or the product mix) elevates the highest value in USD, to uplift the quality of life (including wages) of the small farmers? That should be the way to go…

HS Code	Product
180100	Cocoa beans, whole or broken, raw or roasted
180310	Cocoa paste, not defatted
180320	Cocoa paste, wholly or partly defatted
180400	Cocoa butter, fat and oil
180500	Cocoa powder, not containing added sugar
180610	Cocoa powder, containing added sugar or other
180620	Chocolate, etc, containing cocoa, in blocks, bars, slabs > 2kg
180631	Chocolate, etc, containing cocoa, in blocks, bars, slabs filled < 2 kg
180632	Chocolate, etc, containing cocoa in blocks, bars, slabs not filled < 2kg
180690	Chocolate, etc, containing cocoa, not in blocks

All our analysis is based on the bibliography and references slides 23-25

Eleonora Esca
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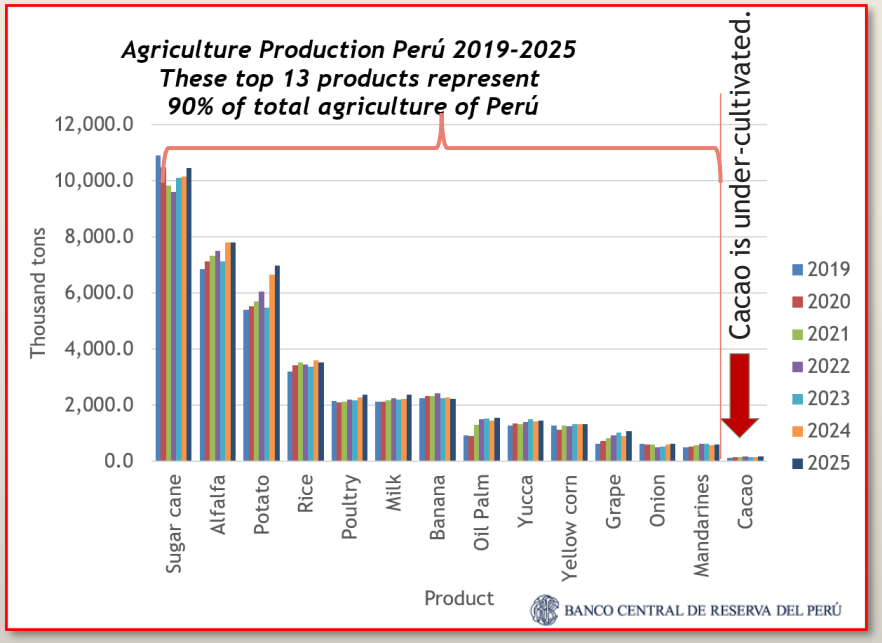
Cacao Industry Analysis: Perú. Part 2

Bibliography 1/

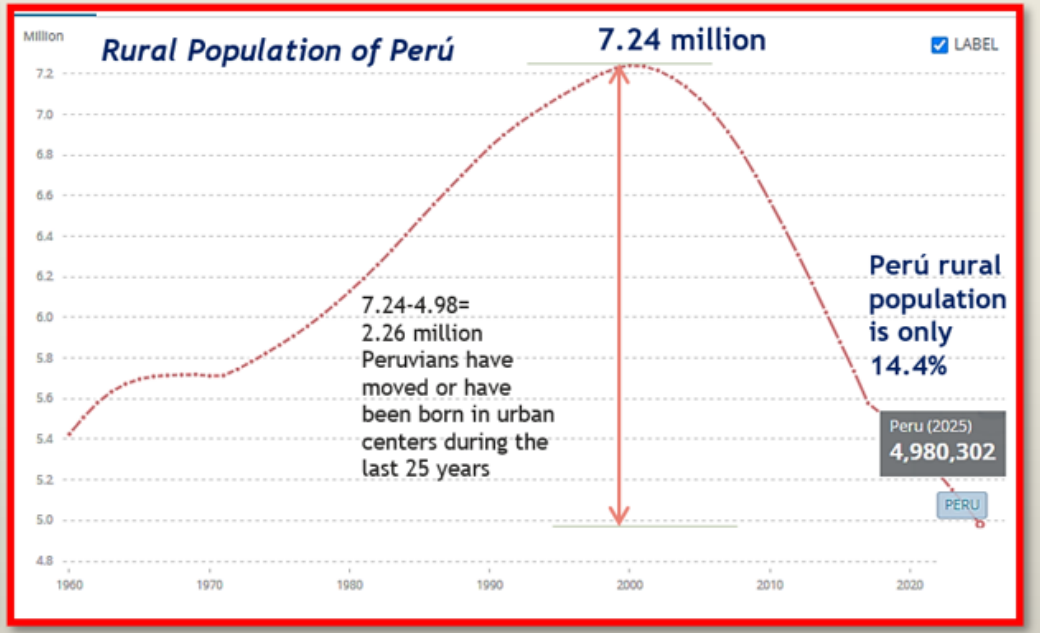
To be added over this weekend, once we will classify and organize it for you. Thanks for your comprehension.



Arms of Lima in the Municipality of Lima 18th century.
https://www.hubert-herald.nl/Peru.htm



Graph Prepared by Eleonora Escalante Strategy. With Data from the Central Bank of Perú.
https://estadisticas.bcrp.gob.pe/estadisticas/series/cuadros/notasemanalmensual/cn-077



Source: World Bank
https://data.worldbank.org/indicator/SP.RUR.TOTL?end=2025&locations=PE&start=1960&view=chart

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Kenyan Coffee

Thank you

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