



ALPACA Token ⋮

Alpaca Finance is a fair launch project with no pre-sale, no investor, and no pre-mine. Similar to many fair launch projects, we will reward various participants that help bootstrap our ecosystem. This will be the only way to earn ALPACA tokens.

What is the ALPACA token used for?

Capture Economic Benefits of the Platform

(Performance fee sharing and buyback & burn)

We will let the community decide how they want the economic incentives to be captured by the ALPACA token; For example, it could be similar to Sushiswap where x% of fees generated go to perform token buyback and burn. At the moment though, there are already several mechanisms in place for both performance fee sharing and for making ALPACA deflationary in nature.

- **10%** of the 19% performance fees for yield farming positions on the single-asset CAKE vault is distributed as Protocol APR to ALPACA governance vault depositors.
- **4%** of the 5% of every liquidation bounty that any liquidation bot receives as a fee, goes towards weekly buybacks and burns of the ALPACA token.
- **6%** of 19% of the AF1.0's lending interest that lenders earn is used for ALPACA buyback and distributed as revenue sharing to Governance Vault stakers (as Protocol APR)
- **4%** of 19% of the AF1.0's lending interest that lenders earn goes towards buybacks and burns of the ALPACA token.
- Proceeds from occasional revenue generation events go to ALPACA buyback & burn, such as 20% of the revenue from the Alpies sales which summed to **\$1.25Mn**.
- **2.5%** of 5% royalty fees on Alpie NFTs sold in the secondary market go to ALPACA buyback & burn.
- **5%** of 9% of Auto-Farming Performance Fee, which is from rewards earned from farming the collateralized assets in AUDS positions in Alpaca Staking (and potentially external protocols in the future), is used for buyback & burn.
- **1%** of 2% of Stability Fee charged on each AUDS debt position will be used for buyback & burn.
- **5%** of 9% of Farming Performance Fee, which is from yield farming rewards, is used for ALPACA buyback and distributed as performance fee sharing to Governance Vault stakers (as Protocol APR).
- **8%** of 15% of AV Farming Performance Fee, which is from yield farming rewards in Automated Vaults, is used for ALPACA buyback and distributed as performance fee sharing to Governance Vault stakers (as Protocol APR).
- **1%** of 2% of AV Management Fee, which is the management fee on Automated Vaults, goes towards weekly buybacks and burns of the ALPACA token.
- **.1%** of .2% of AV Withdrawal Fee, which is the fee when withdrawing from an Automated Vault, goes towards weekly buybacks and burns of the ALPACA token.
- **10%** of 30% of Perpetual Futures Exchange Fee is used for ALPACA buyback and distributed as revenue sharing to Governance Vault stakers (as Protocol APR)
- **6%** of 30% of Perpetual Futures Exchange Fee goes towards weekly buybacks and burns of the ALPACA token.
- **6%** of 19% of the AF2.0's Lending Performance Fee is used for ALPACA buyback and distributed as revenue sharing to Governance Vault stakers (as Protocol APR).
- **4%** of 19% of the AF2.0's Lending Performance Fee goes towards weekly buybacks and burns of the ALPACA token.

Through adding mechanisms like these, most of the rewards from the ALPACA platform will soon be directly or indirectly shared with ALPACA token holders. You can also check Alpaca Finance's Revenue Distribution [here](#).

Why have we chosen to go with token burn in some cases instead of direct fee distribution?

Because burn is also a method of fee distribution, only it's more efficient at increasing token price. Burn directly lowers available supply which increases the value of the remaining tokens. Instead of giving out protocol earnings as yields that users can, and often do, dump on the market, through burn, these earnings embed into the token price itself, which discourages selling because users would have to sell part of their principal. This is a more effective way of both rewarding long-term holders, and creating them.

Deflationary Price Increase

ALPACA tokens are long-term deflationary. Emissions have a hardcap and are continuing to decrease, while burn is permanent and continuing to increase, and we burn quite a bit of tokens; A significant portion of protocol fees go towards token burn: 80% of all liquidation fees and 10% of all protocol lending interest earned by lenders. So as Alpaca Finance continues growing, more ALPACA will be burnt, leading to the value of each remaining ALPACA token rising continuously and permanently.

Governance

The Governance function is now live. User can lock ALPACA in the Governance vault and receive platform's revenue sharing and participate in governance discussion and voting.

You can learn more about Governance [here](#).

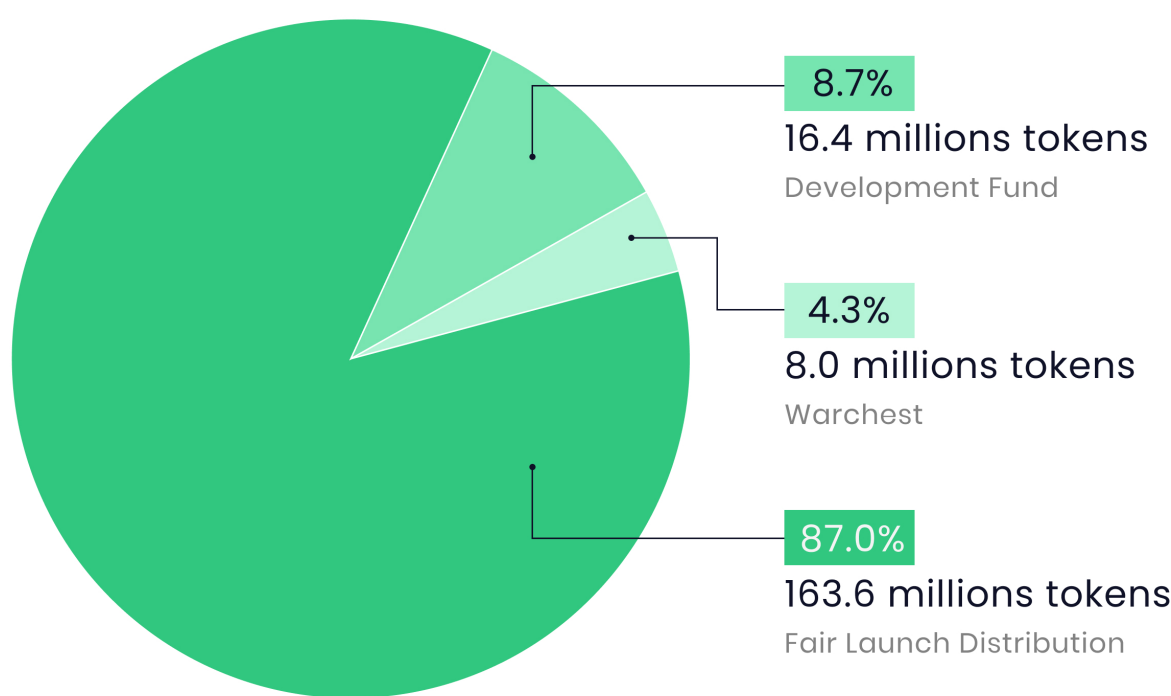
Exclusive Earning Opportunities

Through partnerships, we regularly provide token rewards from our [Grazing Range](#) program available only for ALPACA holders who lock their ALPACA in the governance vault.

Exclusive NFT Access

We are planning to integrate NFTs with actual utility into the platform. Users will have to hold ALPACA in order to benefit from this utility, as well as to gain access to these NFTs in the first place, along with other exclusive items such as real-world Alpaca merch.

ALPANomics



Fair Launch Tokenomics Distribution

87% of our total supply will be distributed to the users of the protocol—a genuine fair launch, with less than 9% of the tokens vesting to the team over a two-year period. Over these two years, ALPACA will be released with a decaying emissions schedule. In total, there will be **188 million ALPACA**. To incentivize early adopters, there was a bonus rewards period for the first two weeks.

Below is our planned block reward schedule. Based on it, the circulating supply profile of ALPACA can be plotted. Please note that although it is also monthly like the Stronk schedule, the below schedule advances periods at the beginning of the month, whereas the Stronk schedule does so in the middle of the month.

Block Rewards Schedule

Period	Tokens / block	Period	Tokens / block
April 2021	22.00	April 2022	1.65
May 2021	19.80	May 2022	1.65
June 2021	16.50	June 2022	1.65
July 2021	13.20	July 2022	1.65
August 2021	8.80	August 2022	1.65
September 2021	6.60	September 2022	1.10
October 2021	4.40	October 2022	0.83
November 2021	2.75	November 2022	0.55
December 2021	2.75	December 2022	0.44
January 2022	2.20	January 2023	0.33
February 2022	2.20	February 2023	0.33
March 2022	2.20		

Please note that the inflation rate drops off dramatically after the initial periods. In fact, the inflation rate will fall under 5% after July 2021.

Development Fund

8.7% of the distributed tokens will go towards funding development and expanding the team, and will be subject to the same two-year vesting as the tokens from the Fair Launch Distribution.

Warchest

There is an allocation of 8 million tokens reserved for future strategic expenses. These include listing fees, audits, third-party services, liquidity for partnerships, etc. 250,000 of these tokens were used to seed PancakeSwap's ALPACA-wBNB pool. To avoid dilution to token holders, we've also implemented a restriction. No more than 200,000 tokens (~2.5% of the 8 million) can be withdrawn each month, with the only exception being if there is prior approval from a community vote. (*Unused tokens roll over into following months)

ALPACA token address (BNB Chain): **0x8f0528ce5ef7b51152a59745befdd91d97091d2f**

ALPACA token address (Fantom): **0xad996a45fd2373ed0b10efa4a8ecb9de445a4302**