**FELT Token Financial Model - User Documentation**

**Executive Summary**

This model simulates a 10-year financial projection for a tokenized regenerative agriculture fund. It calculates how $140M in initial investment grows through retained earnings from carbon credits, premium beef, and environmental assets. The model proves whether the fund can achieve self-funding status (buying new farms from treasury rather than diluting tokens) and projects token price appreciation from $1.00 to approximately $8.93.

**How to Use the Model**

**Input Files Guide**

All inputs are in the /inputs/ folder as CSV files. Edit these with any spreadsheet software or text editor.

**portfolio\_config.csv**

Controls fundamental investment parameters:

* land\_cost\_per\_farm: Base cost for 1000 hectares
* project\_dev\_cost: Additional development costs (fencing, trees, infrastructure)
* operator\_salary\_cap: Maximum operator payment per farm/year
* initial\_token\_supply: Must equal net\_investment for $1.00 starting price

**revenue\_assumptions.csv**

Defines revenue projections by year:

* Each row = different revenue stream
* Columns year\_1 through year\_10 = values for each year
* Set to 0 for years before revenue starts

**Example**: To delay beef revenue to Year 4, set beef\_head\_count to 0 for years 1-3

**cost\_structure.csv**

Sets stakeholder payment percentages:

* Each row = different stakeholder
* percentage column = portion of gross revenue
* Must sum to 1.00 (100%)

**Critical**: project\_development row is FEAG's profit margin

**carbon\_pricing.csv**

Carbon market parameters:

* accu\_spot\_price: Price when selling immediately
* accu\_forward\_price: Discounted price for advance sales

**Output Files Interpretation**

**model\_outputs.csv**

Complete year-by-year projection showing:

* total: Annual gross revenue across all farms
* accumulated\_treasury: Cash available for new farm purchases
* token\_price: NAV per token (target: growing from $1.00 to $8.93)
* treasury\_sufficient: TRUE when self-funding achieved

**Key indicator**: When treasury\_sufficient becomes TRUE, fund no longer needs external capital

**stakeholder\_distributions.csv**

Annual payment flows:

* project\_development: FEAG's annual 15% fee
* operator\_overflow: Value captured when operator hits salary cap
* treasury\_net: Annual addition to growth capital

**Watch for**: Increasing operator\_overflow as revenues scale - this accelerates self-funding

**project\_developer\_cashflows.csv**

FEAG-specific economics:

* PDF\_15%: Annual project development fee
* Cumulative\_PDF: Total earnings over time
* Shows FEAG path to $15M+ over 10 years

**token\_metrics.csv**

Investor-focused metrics:

* token\_price: Price per token each year
* token\_price\_multiple: Total return multiple (8.93x target)
* nav\_growth\_rate: Year-over-year growth percentage

**funding\_strategy.csv**

Treasury management analysis:

* forwards\_needed: ACCUs that must be sold at discount for liquidity
* discount\_cost: Value lost by selling forwards vs spot
* Reveals transition from external to internal funding

**Modeling Methodology & Key Assumptions**

**Methodological Assumptions**

**1. Linear Farm Scaling** Model assumes farms can be added at constant $14M cost regardless of scale. Reality: bulk purchasing and operational experience might reduce per-farm costs over time.

**2. Independent Revenue Streams** Model treats each revenue source as independent. Reality: drought affecting beef would likely also impact soil carbon sequestration.

**3. Immediate Revenue Recognition** Model books revenue when carbon credits are generated. Reality: verification and sale might lag by 6-12 months.

**4. No Debt or Leverage** Model assumes 100% equity financing. Reality: cheap debt could accelerate growth without dilution.

**5. Static Operational Efficiency** Model uses fixed cost percentages throughout. Reality: economies of scale should reduce percentage costs as portfolio grows.

**6. Single Geography** Model assumes uniform Australian conditions. Reality: geographic diversification would affect yields and timing.

**7. No Technology Learning Curve** Green Prints AI premium applies immediately. Reality: AI effectiveness improves with data accumulation over time.

**8. Perpetual Operations** Model assumes no farm failures or exits. Reality: some farms might underperform and need replacement.

**9. Token Price = NAV** Model assumes tokens trade at NAV. Reality: market pricing could trade at premium or discount to NAV.

**10. No Regulatory Changes** Model assumes stable carbon credit rules. Reality: government policy changes could affect credit generation or pricing.

**Quick Customization Examples**

**To model higher carbon prices:** Edit carbon\_pricing.csv, change accu\_spot\_price from 45 to 60

**To test different fee structures:** Edit cost\_structure.csv, adjust project\_development from 0.15 to 0.20

**To delay revenue streams:** Edit revenue\_assumptions.csv, set early years to 0 for specific streams

**To change farm acquisition pace:** Edit the core\_model.py line with farms\_operational calculation

**Key Success Metrics**

The model succeeds if it shows:

1. Token price reaching 5x+ by Year 10 (currently shows 8.93x)
2. Self-funding achieved by Year 5-6 (currently Year 4-5)
3. Project developer fees exceeding $10M cumulative (currently ~$15M)
4. Positive returns even in conservative scenario