

Beefy Incentive Proposal

Project Name:

Beefy

Author Name:

[@frondoto](#)

Number of OP tokens requested:

650,000 OP

L2 Recipient Address:

0x4ABa01FB8E1f6BFE80c56Deb367f19F35Df0f4aE

Deployed on Optimism:

Yes, on 27/06

Relevant Metrics:

TVL: \$268,000,000 across 16 different blockchains

TVL in Optimism \$10,000,000 ([Link](#) to DeFi llama for the latest number)

Site: <https://app.beefy.com/>

Optimism alignment (up to 200 word explanation)

Beefy is the multi-chain yield optimizer known for its high security standards. Every protocol that gets listed on Beefy passes strict safety checks to ensure the platform where our users are depositing is safe. This frequently results in Beefy joining talks with these teams, helping them adjust their security measures, and most of the time partnering with the underlying protocol, making it known to our vast multi-chain audience.

Beefy also has a multi-chain app. This means that the opportunities across 16 different chains can be compared side by side to choose the best place to put your tokens to work.

Beefy's users are quite diverse, but what they all have in common is that they have been priced out of Ethereum. Deploying Beefy on Optimism allows those users to enjoy the safety of Ethereum, without paying the high gas prices.

We gathered feedback from different delegates and they required us to deploy on the chain and gain some traction, which we did. Currently Beefy has 23 different vaults auto-compounding more than \$10,000,000 of TVL. We have vaults for BeethovenX, Velodrome, Stargate, Curve, just to name a few.

At the time of writing this we are in talks with 4 different protocols on Optimism to partner with them and multiply even more the effect of the incentives. One example of this is Qidao, their protocol utilizes mooTokens (interest bearing collateral) to allow users to mint MAI and leverage their position. This will be possible since Chainlink is already deployed on the chain.

Proposal for token distribution (under 1000 words)

How will the OP tokens be distributed? & How will this distribution incentivize usage and liquidity on Optimism?

After deploying on the chain and working with its protocols we encountered impactful ways to get the incentives to work.

35% of the OP tokens will be used to incentivize a BIFI-OP farm. Having this farm is vital to offer our complete product to Optimism users. Beefy distributes the earnings of the platform in the form of , and we have a BIFI Maxi vault which auto-compounds the ETH for BIFI daily. In order to offer that vault we need liquidity on that pair. To do this we are considering bribing veVELO holders, or doing co-incentives with BeethovenX. We will distribute these in between 12 and 18 months. After this rewards run out we will bring to the DAO the decision of continuing the rewards with Beefy Optimism treasury.

Edited this bit to be the pair BIFI-OP as [@OPUser](#) suggestion. Having BIFI on an LP is enough, we don't need it to be ETH, and having OP instead makes a lot more sense. We are encouraging BIFI holders to research and learn about OP (which we will provide materials for), and provide liquidity. This will bring our communities much closer.

50% of the incentives will be used to boost the farms of native Optimism protocols. The strategy will be to "showcase" Optimism protocols to our users through our social media (Twitter, Discord, and Telegram) and boost the vault containing its native token. This is great to put those protocols in the spotlight and bring new investors.

Liquidity in Beefy is very sticky. Based on our vast experience doing these kinds of activities, after the boost finishes, more than 70% of the TVL stays in the vault, despite having others with better APY. TVL only moves if the difference is

significant. This might be since Beefy is kind of a “set and forget” platform since the only interactions you need to do with our contracts is to deposit and withdraw (No periodic claims, manually compound, etc). We expect to use these incentives in around 12 months, boosting approximately 7 Optimism protocols for 1,5 months each.

15% strategist developer/team incentives. Building a Beefy vault is not a simple task.

Every new vault has its unique challenges that the development team has to solve in order to offer our users the simple “Earn more of what you stake”, but in the back, there is a ton of work being done. We vaulted Stargate pools, bringing more liquidity to their bridge/tokens to the chain. We are also showcasing our brand new Velodrome vaults, making Beefy the first protocol to offer auto-compounding vaults for that protocol. We cannot wait for MakerDAO, Lido, and many other big names to deploy on Optimism so we can work with them to bring liquidity to their pairs. This means we will need to develop even more strategies to fit these protocols.

These incentives will be used to reward new and existing collaborators that develop new strategies for Beefy Optimism. It is relevant to mention that our strategies are open for everyone to see and use, many times being a stepping stone for other protocols to build upon.

All of the incentives will be distributed during long periods of time as described above.

Why will the incentivized users and liquidity remain after incentives dry up?

Incentives are an excellent way to welcome new users to try the chain, and stay for their unique products and ecosystem. We will use the incentives to create deep and meaningful partnerships with Optimism protocols, many of which we had great relations with from other chains. One blockchain CEO compared this kind of incentives to when Uber launched. Uber was giving free rides and discounts to a lot of users, and people stuck using Uber after those incentives run out. Those incentives were used to bring users to a superior ride-sharing service. We are aiming for the same strategy here. Make users come for the opportunities, and make them stay for the unique product ecosystem/community.

Also at the same time that we distribute the incentives, we are planning education around Optimism, their technology, their unique structure of the governance of the chain, and also provide social events in which our multi-chain users can get to know Optimism protocols, and hopefully bring their liquidity/invest on them.

Over what period of time will the tokens be distributed?

Between 12 and 18 months. (Extended the period from last proposal)

Also since Delegates raised the concern of tracking the correct spending of grants, we compromise to keep the delegates up to date with the spending/uses.

How much will your project match in co-incentives?

BIFI has a max supply of 80,000 which is fully distributed, and the DAO holds very little of the supply (less than 1%). That is the reason we can't match in co-incentives.

To summarize:

Deployed on the chain, locked \$3M TVL in 2 weeks.

Re-structure of OP distribution.

Added community-building activities to the proposal leveraging Beefy socials.

Compromise to report the spending to the delegates in the Optimism Discord server.